

63rd
Annual Report
2008 - 2009



**HARDCASTLE
& WAUD
MANUFACTURING
COMPANY LIMITED**



HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

BOARD OF DIRECTORS

B.L. Jatia, Chairman & Managing Director
N.S. Karnavat
Hasmukh Gandhi
Tushar G. Agarwal
O. P. Adukia (w.e.f. 1.5.2009)

BANKERS

ING Vysya Bank Ltd

AUDITORS

Messrs Khare & Co.

LEGAL ADVISORS

Kaiga & Company

ADVOCATES, SOLICITORS & NOTARIES

REGISTERED OFFICE

Netivali Baug, Kalyan- 421 306

HEAD OFFICE

Brabourne Stadium, 87, Veer Nariman Road, Mumbai - 400 020

WORKS

1904,GIDC, Sarigam - 396 155, Dist Valsad-(Gujarat)

REGISTRARS & TRANSFER AGENT

Sharepro Services (India) Pvt.Ltd, 912 Raheja Centre, Free Press Journal Road
Nariman Point, Mumbai - 400 021

NOTICE

Notice is hereby given that the 63rd Annual General Meeting of Hardcastle & Waud Mfg Co. Ltd will be held at the registered office of the Company at Netivali Baug, Kalyan (East) - 421 306 on Wednesday, the 30th September, 2009 at 10 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr N.S. Karnavat who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass the following resolution as an ordinary resolution:
"RESOLVED THAT Mr O P Adukia be and is hereby appointed as a Director of the Company."
5. To consider and if thought fit to pass the following resolution as an ordinary resolution:
"RESOLVED THAT sitting fees payable to the Directors for attending meetings of the Board and Committees thereof be and are hereby increased from Rs 500 to Rs 2000 each pursuant to Sections 309 and 310 of the Companies Act, 1956."

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the items of special business is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th September, 2009 to 30th September, 2009 (both days inclusive).
4. Members who have not collected their new share certificates so far are advised to do so by surrendering their old certificates for shares in the Company either in person or by sending through post to the Registrars & Transfer Agent of the Company, in their own interest.

Registered Office:

Netivali Baug,
Kalyan - 421 306
Date: 31st July, 2009

By Order of the Board of Directors

B.L.Jatia
Managing Director

Annexure to the Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.4

Mr O P Adukia was appointed as an Additional Director by the Board at its meeting held on 21.4.2009 w.e.f. 1.5.2009 under provisions of Section 260 of the Companies Act, 1956. He will hold office till the date of the ensuing Annual General Meeting. A notice has been received from a member signifying his intention to propose Mr O P Adukia's candidature for the office of Director.

Mr O P Adukia, an experienced Company Executive has been associated with the Company in various capacities since the year 1993 and possesses over 50 years' of experience in industrial and business management. The Board considers that it would be in the interest of the Company to avail Mr O P Adukia's services as a member of the Board and accordingly commends the resolution for your approval.

Except Mr O P Adukia, none of the directors is interested in the resolution.

Item No.5

The present sitting fee of Rs 500 being too inadequate, it is proposed to increase the said fee to Rs 2000 payable to each Director (except the Managing Director) for attending meetings of the Board/Committees thereof. The proposed new sitting fee is within the permissible limits under the Company law.

All the Directors except the Managing Director are interested in the resolution.

Registered Office:

Netivali Baug,
Kalyan - 421 306
Date: 31st July, 2009

By Order of the Board of Directors

B.L.Jatia
Managing Director



63rd Annual Report 2008-2009

DIRECTORS' REPORT

Your Directors present the 63rd Annual Report of the Company, together with the audited Statements of Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS AND APPROPRIATIONS

	Year ended 31 st March, 2009 (Rs Lacs)	Year ended 31 st March, 2008 (Rs Lacs)
Profit before Interest, Depreciation and Exceptional Items	95.71	677.53
Interest	12.61	18.82
Depreciation	34.42	27.93
Exceptional Items	-	(505.07)
Prior year Adjustments	(10.29)	(10.58)
Profit Before Taxation	58.97	1146.43
Provision for Taxation	5.36	136.20
Deferred Tax	(8.18)	40.58
Fringe Benefit Tax	3.81	5.56
Net Profit after Taxation	57.98	964.09
Balance b/f from Previous Year	2085.04	1120.95
Carried forward	2143.02	2085.04

With a view to strengthen the financial position of the Company, no dividend payout is being recommended.

2. OPERATIONS

As a part of the continuing process of business re-engineering the Company discontinued its activity of manufacturing synthetic resins during the year.

This coupled with sale during the last year of the Company's Sealants & Maintenance Products business and the general slow-down in the economy has impacted the turnover of the Company during the year (Rs 1362.80 lacs against last year's Rs 3434.96 lacs).

However, the profit before depreciation and without considering income generated from sale of fixed assets at Rs 83.10 lacs compares favourably against last year's Rs 74.22 lacs.

As for outlook for the current year, it is difficult to make a forecast at this stage in view of the uncertain prospects of the economy even though there is a cautious sense of optimism in government and other agencies concerned.

The Company has invested Rs 208.40 lacs in the equity capital of Global Trendz Retail P.Ltd, which is engaged in the wholesale business of readymade garments. The said company became a subsidiary of your company for a brief period during the year, but has ceased to be so with effect from 29th January, 2009.

3. PUBLIC DEPOSITS

No deposits were accepted during the year.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr N S Kamavat retires by rotation at the ensuing Annual General Meeting but being eligible, offers himself for reappointment.

Mr O P Adukia was appointed as an Additional Director w.e.f 1.5.2009. He holds office till the date of the ensuing Annual General meeting. The Company

has received requisite notice together with deposit as provided under Section 257 of the Companies Act, 1956 from a shareholder proposing the appointment of Mr O P Adukia as a director.

5. AUDITORS

Members are requested to appoint auditors to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

6. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation, technology absorption and foreign exchange earnings and outgo as required by Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 appear in the Annexure to this Report.

7. PARTICULARS OF EMPLOYEES

Particulars of employees covered by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are as under -

Name & Age	Designation	Total Remuneration Rs	Qualifications & Experience	Date of Commencement of Employment	Previous Employment	Percentage of Equity Shares held
Mr B.L. Jatia (65 Years)	Chairman & Managing Director	21,68,544	B.Com. LLB 41 Years	26.05.1994	Houghton Hardcastle (India) Ltd. Managing Director	

Notes: 1. Remuneration includes salary, company's contribution to provident fund, house rent allowance and monetary value of perquisites.

2. The employment of the Managing Director is contractual.

8. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts have been prepared on a going concern basis.

9. SECRETARIAL COMPLIANCE REPORT

Copy of a certificate from a secretary in whole-time practice certifying that the Company has complied with the provisions of the Companies Act, 1956 is annexed to this report.

10. EMPLOYEE RELATIONS

Relations with employees during the year continued to be cordial.

11. ACKNOWLEDGEMENTS

The Board sincerely thanks all stakeholders for their continued support.

On Behalf of the Board

Mumbai,
31st July, 2009

B.L. Jatia
Chairman & Managing Director



HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

A. CONSERVATION OF ENERGY

- a. Appropriate measures to derive optimum benefit of energy-saving equipment and energy-efficient technology for the production processes are part of operational policy of the Company.

2008-2009 2007-2008

b. Power & Fuel Consumption

i) Electricity

(a) Purchased

Units(000s)	66	157
Total Amount (Lac Rs)	4.36	8.50
Average Rate(Rs per Unit)	6.59	5.42

(b) Own generation

(i) Through Diesel Generator

Units(000s)	1	4
Units per litre of diesel oil	1.99	1.99
Cost/Unit (Rs)	18.11	17.29

(ii) Through Steam Turbine/Generator

	NIL	NIL
--	-----	-----

ii) Coal

	NIL	NIL
--	-----	-----

iii) Furnace Oil

Quantity (Kilolitres)	18	66
Total Amount (Lac Rs)	4.61	12.46

Average Rate (Rs per kilolitre)	24947	18924
---------------------------------	-------	-------

iv) Others

Quantity (Kilolitres)		1
Total Amount (Lac Rs)	0.34	0.95
Average Rate (Rs per kilolitre)	82324	77383

c. Consumption per unit of production

Since the Company has different product lines with several formulations, it is not feasible to compute this figure.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D is carried on by the Company:

The Company's R & D activities are aimed at developing new products/processes, product upgradation and cost reduction.

2. Benefits derived as result of R & D

The R & D activities have helped the Company in streamlining and improving its manufacturing processes and product quality, development of products for wider and newer applications, diversification, optimisation of product costs, rendering of technical services to customers and adoption and absorption of technology.

3. Future Plan of Action

Under Review.

4. Expenditure on R & D

	2008-09 Rs Lacs	2007-08 Rs Lacs
a. Capital	NIL	NIL
b. Recurring	0.71	3.98
Total	0.71	3.98
c. Total R & D Expenditure as percentage of Turnover	0.05%	0.12%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned and utilised was Rs 44.29 lacs and Rs 233.69 lacs respectively.

On Behalf of the Board

Mumbai,
31st July, 2009

B.L. Jatia
Chairman & Managing Director



63rd Annual Report 2008-2009

To
The Members

Hardcastle & Waud Mfg Co. Ltd

I have examined the registers, records, books and papers of Hardcastle & Waud Mfg Co. Ltd as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra within the time prescribed under the Act and the rules made thereunder.
3. The Company is not a private limited company.
4. The Board of Directors duly met 7 times on 30.4.08, 30.6.08, 31.7.08, 8.9.08, 31.10.08, 14.11.08 and 22.1.09 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 29.09.2008 to 30.09.2008 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2008 was held on 30th September, 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loan to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. No approvals of the nature specified in Section 314 of the Act were required to be obtained by the Company.
12. The Board of Directors has duly approved through its duly constituted committee the issue of duplicate share certificates by the company.
13. The Company:
 - (i) has not made any allotment of securities during the said year. It has delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) has not declared and/or paid any dividend;
 - (iii) has no amounts lying in unpaid dividend account for transfer to the Investor Education and Protection Fund; and
 - (iv) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made.
15. The appointment of Managing Director was made in compliance with the provisions of Sections 269 read with Schedule XIII to the Act. The said appointment did not require approval of Central Government.
16. The Company has not appointed any sole-selling agents.
17. The Company has applied for necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar and or any other prescribed authorities under the various provisions of the Act as detailed below -
 1. Approval to Appointment of Cost Auditor.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31st March, 2009.
21. The company has not issued/redeemed any preference shares/debentures during the year.
22. Since the Company did not declare any dividend, offered/issued any rights/bonus shares during the year, the question of keeping in abeyance, rights thereto pending registration of transfer of shares does not arise.
23. The Company has not accepted any deposits or taken any loans during the year within the meaning of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975.
24. The amounts borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31.3.2009 are within the borrowing limits of the Company. These borrowings did not exceed the limits prescribed in Section 293(1)(d) of the Act.
25. The loans to/investments made in other bodies corporate are in compliance with the provisions of the Act and necessary entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year.
31. No prosecution has been initiated against or show cause notices received by the Company under the Act.
32. The Company has not received any security from its employees during the year under certification as per provisions of section 417(1) of the Act.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authority pursuant to Sec.418 of the Act.

Place: Mumbai
Date: 28th July, 2009

Shailesh A. Kachalia
CP: 3888
Company Secretary