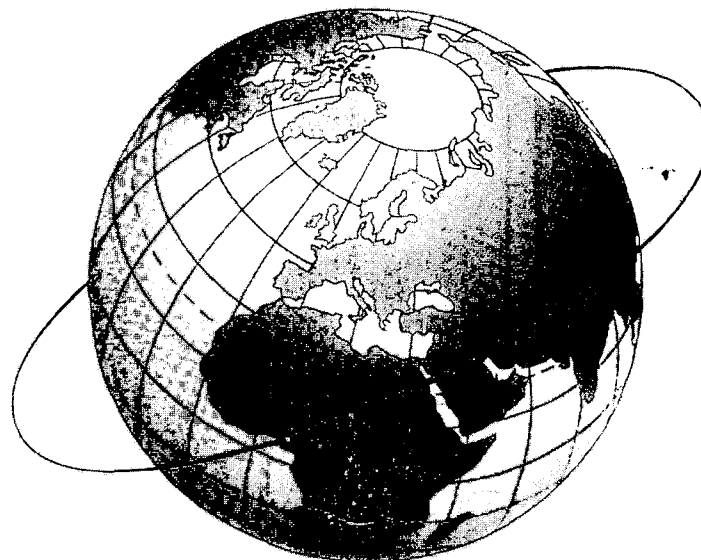


MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



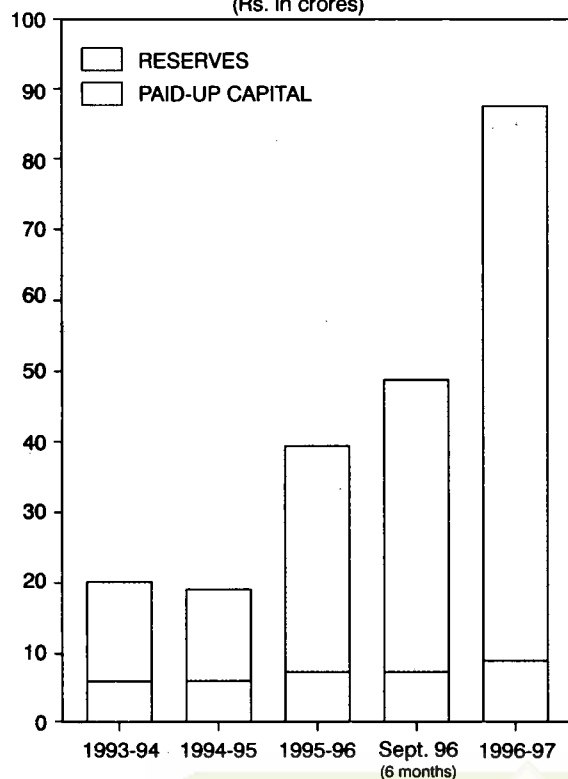
**Cabot India Limited**

**35th Annual Report**

**30th September 1997**

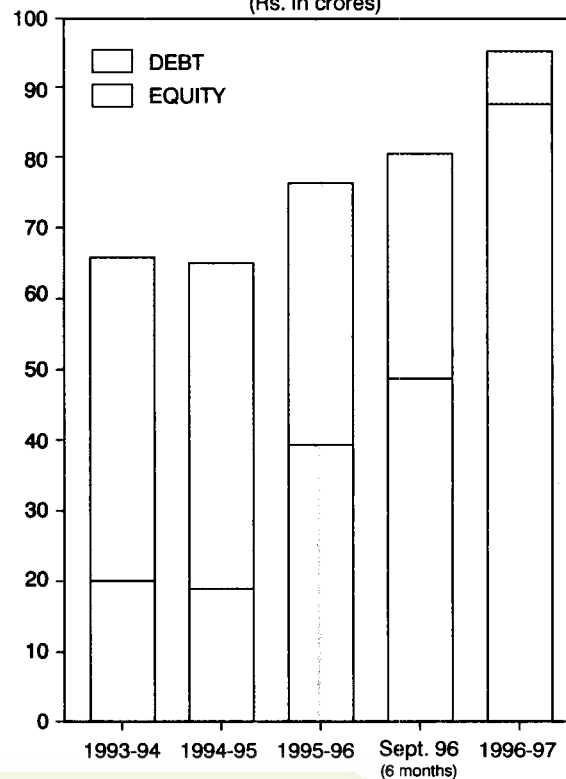
### Shareholders' Fund

(Rs. in crores)



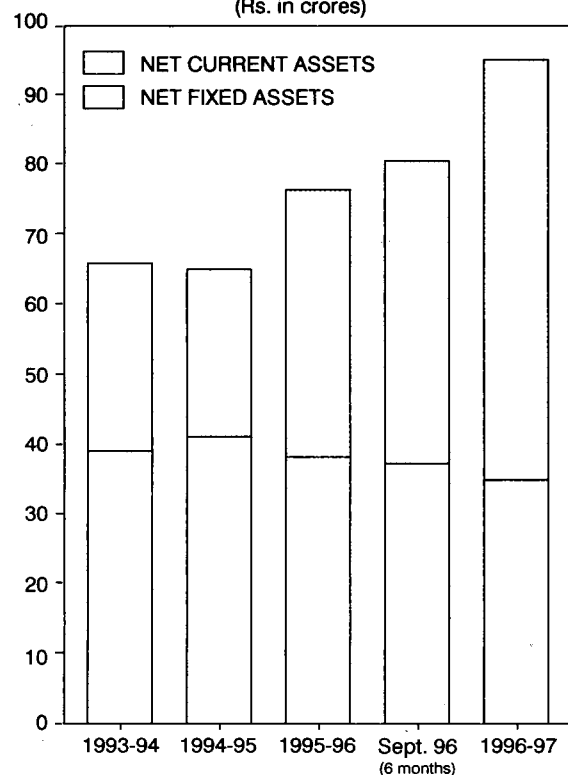
### Debt Equity

(Rs. in crores)

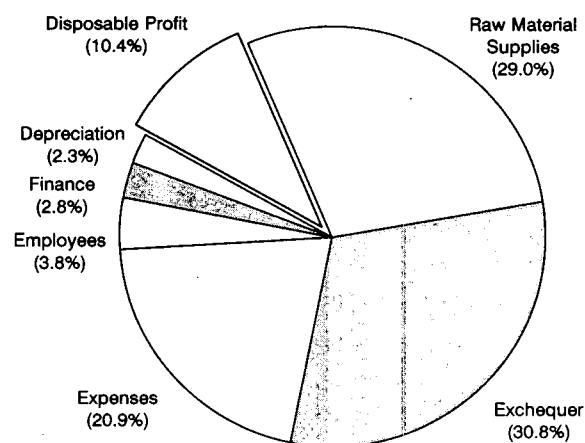


### Capital Employed

(Rs. in crores)



### Distribution of Income





**CABOT INDIA LIMITED**

Regd. Off. : N K M International House, 178 Babubhai M Chinai Marg, Mumbai - 400 020

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting venue

Member Folio No.

Name of the Member  
attending the Meeting

In case of Proxy, Name of Proxy

I hereby record my presence at the 35th Annual General Meeting at Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai - 400 020 on Friday, February 27, 1998.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note : Members/Joint Members are requested to bring the attendance slips with them.



**CABOT INDIA LIMITED**

Regd. Off. : N K M International House, 178 Babubhai M Chinai Marg, Mumbai - 400 020

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of Cabot India Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held at Mumbai on February 27, 1998 at 11.30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1998.

Signed by the said \_\_\_\_\_

of \_\_\_\_\_

Affix 30 P  
Revenue  
Stamp

This form is to be used \* in favour of the resolution. Unless instructed, the Proxy will act as he thinks fit.  
against

\*Strike out whichever is not desired

**Note:** The Proxy must be returned so as to reach the Registered Office of the Company, as above, not less than 48 hours before the time for holding the aforesaid Meeting.





Cabot India Limited

**BOARD OF DIRECTORS**

H N Sethna	<i>Chairman</i>
N M Wagle	
M Varadarajan	
K F Burnes	
Ho-il Kim	<i>Alternate for K F Burnes</i>
B A Chinnappa	<i>Nominee of GIC</i>
D R Young	
C R Dua	<i>Alternate for D R Young</i>
Paul Gormisky	
Y H Malegam	
Alok Gupta	<i>Managing Director</i>

**COMPANY SECRETARY**

P Ramanathan

**SOLICITORS**

Little &amp; Co.

**AUDITORS**S. R. Batliboi & Associates, *Chartered Accountants***BANKERS**Union Bank of India  
Corporation Bank**REGISTRARS & SHARE TRANSFER AGENTS**IIT Corporate Services Limited  
IIT House, Near Vazir Glass Works, Off M. V. Road,  
J. B. Nagar, Andheri (East), Mumbai 400 059.  
Tel: 822 5599**REGISTRARS TO FIXED DEPOSIT SCHEME**Upendra Dalal & Co.  
17, Rajgir Chambers, Opp. Old Custom House,  
S. Bhagatsingh Road,  
Mumbai 400 023.  
Tel: 266 1107, 266 1357**REGISTERED OFFICE**N. K. M. International House,  
178, Babubhai M. Chinai Marg,  
Mumbai 400 020.  
Tel.: 202 7846, 287 5960**FACTORY**MIDC, Plot No. 3, Trans-Thane Creek Area,  
Thane-Belapur Road, Post Ghansoli,  
Thane 400 701.  
Maharashtra.**CONTENTS**

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## NOTICE

NOTICE IS HEREBY GIVEN THAT the THIRTY-FIFTH Annual General Meeting of the Company will be held at Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai-400 020 on Friday, February 27, 1998 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the Financial Year ended September 30, 1997 and Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend.
3. To elect a Director in place of Mr. N M Wagle who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Mr. B A Chinnappa who retires by rotation and being eligible offers himself for re-appointment.
5. To elect a Director in place of Mr. D R Young who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and for such purpose to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that S R Batliboi & Associates, Chartered Accountants, Retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration of Rs. 2,00,000 (Rupees Two Lakhs) per annum, and in addition they be reimbursed all out of pocket expenses."

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Y H Malegam who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on May 27, 1997 and whose term expires at the Annual General Meeting scheduled to be held on February 27, 1998 and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby altered as follows:

By addition of new Article 24(A) after Article 24 as under:

#### BUY BACK OF SHARES

24(A). Notwithstanding anything contained in the preceding Article 24 but subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell any of its own fully paid shares and may make payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

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**NOTICE (Contd.)**

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time), and subject to such other approvals, permissions and sanctions, as may be agreed to or accepted by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its fully paid shares on such terms and conditions and upto such limits as may be prescribed by law from time to time, subject to such acquisition/purchase of fully paid Equity Shares of the Company not being construed as reduction of Equity Share Capital of the Company within the purview of Sections 100 to 104 of the Companies Act, 1956 and thereby attracting the provisions of Section 77 and/or Section 402 of the Companies Act, 1956, or any Statutory modification thereof, and that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement this resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the limits contained in Sections 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, and in supercession of the earlier limit approved by the members of the Company dealing with the Commission payable to Mr. Alok Gupta, Managing Director, at the 33rd Annual General Meeting held on July 26, 1996, effective financial year commencing October 1, 1996, the Company hereby consent for payment of commission to Mr. Alok Gupta, which will range from six months to four years of his annual salary to be determined by the Board at the end of each financial year for the residual period of his tenure and that the necessary supplemental agreement revising clause 7(b) of the agreement dated February 2, 1996 be entered into with Mr. Alok Gupta to that effect as per draft placed before the meeting duly initialled by the Chairman for identification and that the Board of Directors be and is hereby authorised to do everything necessary and incidental in this behalf."

By Order of the Board

P RAMANATHAN  
Company Secretary

Mumbai, November 5, 1997

Registered Office:  
NKM International House  
178 Backbay Reclamation  
Mumbai-400 020

**Notes:**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.

PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

- (2) The Dividend as recommended by the Board, if sanctioned at the Meeting, will be payable on and after March 16, 1998 to those Members whose names are on the Company's Register of Members on February 27, 1998. Dividend will be paid by warrants crossed "Account Payee".
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## NOTICE (Contd.)

The Register of Members and the Transfer Books of the Company will remain closed from Friday, February 13, 1998 to Friday, February 27, 1998 (both days inclusive).

- (3) UNCLAIMED DIVIDENDS FOR AND UPTO FINANCIAL YEAR ENDED MARCH 1993 HAS ALREADY BEEN TRANSFERRED TO THE GENERAL REVENUE ACCOUNT OF CENTRAL GOVERNMENT IN TERMS OF THE PROVISIONS OF SECTION 205 OF THE COMPANIES ACT, 1956.

Those members who have so far not claimed dividends for the said period may claim the same from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033.

**No Dividend was declared for the Financial Years ended March 31, 1994 & March 31, 1995.**

- (4) Members are requested to intimate immediately change of address, if any, to the Company or its Registrars and Share Transfer Agents, IIT Corporate Services Limited, IIT House, Near Vazir Glass Works, Off M V Road, J B Nagar, Andheri (E), Mumbai 400 059 (Tel : 822 55 99). Kindly quote the Registered Folio Number in all your correspondence.
- (5) Members who are holding shares in more than one folio are requested to intimate the Registrars and Transfer Agents the details of all their holdings for consolidation into a single folio.
- (6) MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT ALONG WITH THEM AS COPIES OF THE REPORT WILL NOT BE DISTRIBUTED AT THE MEETING
- (7) THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.

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## EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts to the Special Business mentioned in the accompanying Notice dated November 5, 1997.

### Item No. 7

The Board appointed Mr. Y H Malegam as an Additional Director on May 27, 1997. Under 260 of the Companies Act, 1956 (the Act) Mr. Malegam will hold the office only upto the date of 35th Annual General Meeting. Notice has been received under 257 of the Act from a member proposing Mr. Malegam's candidature for the office of a Director of the Company with the requisite deposit of Rs. 500/- Mr. Malegam is a Chartered Accountant and is a Senior Managing Partner of S B Billimoria & Co., Mumbai. The Board considers that the Company would be benefited by his varied experience and valuable guidance and advice to the Company from time to time.

The Appointment of Mr. Malegam as a Director of the Company is commended for approval by the Members.

Mr. Malegam is concerned and interested in the resolution since it relates to his own appointment.

### Item No. 8

At present, buy-back of own shares by the Company is not allowed under the Companies Act, 1956. However, in anticipation of amendment to the Companies Act, 1956, it is proposed to add a new Article 24(A) in the Articles of Association of the Company. As per the provisions of Section 31 of the Companies Act, 1956, a Company may by Special Resolution alter its Articles of Association.

The Board is of the opinion that the resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible. Hence they recommend the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

### Item No. 9

Section 77 of the Companies Act, 1956 presently restricts the purchase of its own shares by a Company unless the same is done with a view to reduce its capital pursuant to the provisions of Section 100-104 and of Section 402 of the Companies Act, 1956.

In due course of time, the law is expected to be amended to regulate and allow share buy back/securities by companies.

Empowerment to buy back its own shares would give the companies the required flexibility for shareholder value management and reducing cost of capital, essential in the current rapidly competitive economic scenario. Hence, the Directors feel it would be desirable to have an enabling power from the shareholders for the purpose.

The Board therefore recommends resolution for your approval.

None of the Directors is concerned or interested in this resolution.

### Item No. 10

A copy of the abstract under Section 302 of the Companies Act, 1956 and the abstract of the new commission clause to be substituted in lieu of the existing clause 7(b) in the agreement dated February 2, 1996 have already been mailed to Members on June 12, 1997. The Board was authorised by the Members to alter, vary, the terms of the appointment of Mr. Alok Gupta at the Thirty-third Annual General Meeting of the Company held on July 26, 1996.

CABOT

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**EXPLANATORY STATEMENT (Contd.)**

However, the modification of the Commission clause, as mentioned in the abstract is subject to Members' approval. All other terms stated in the agreement dated February 2, 1996 and supplemental Agreement dated September 20, 1996 remain unchanged.

The Directors recommend the passing of this resolution.

No other Director except Mr. Alok Gupta is concerned or interested in the aforesaid variation.

By Order of the Board

P RAMANATHAN  
Company Secretary

*Mumbai, November 5, 1997*

*Registered Office:*  
NKM International House  
178 Backbay Reclamation  
Mumbai-400 020

