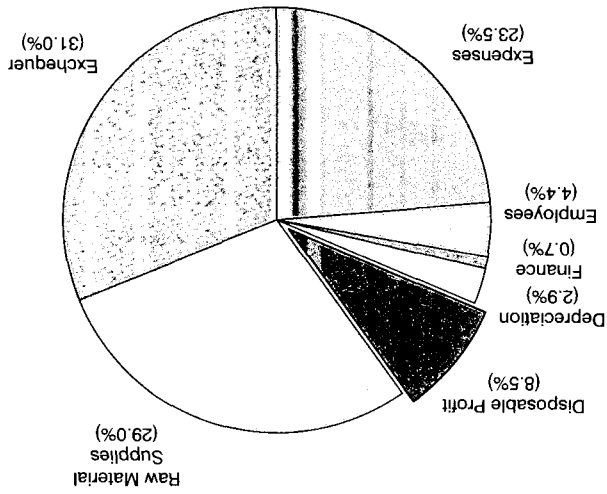
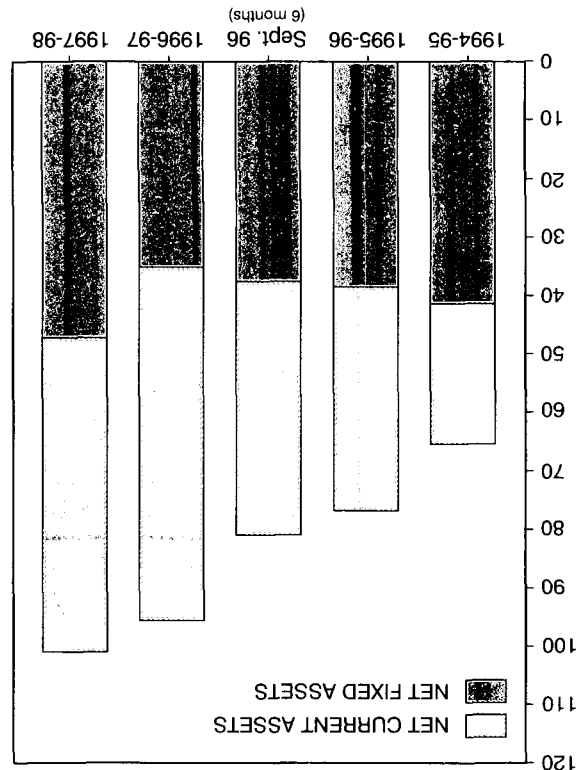


Distribution of Income



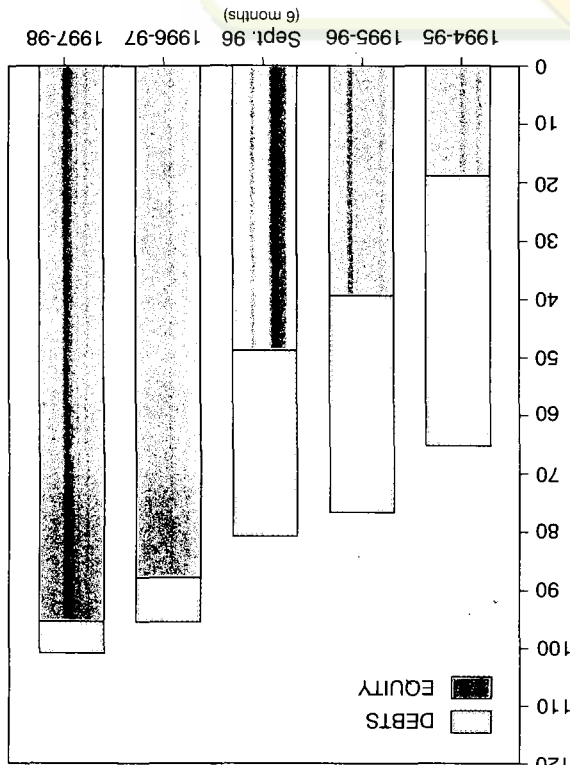
Capital Employed

(Rs. in crores)



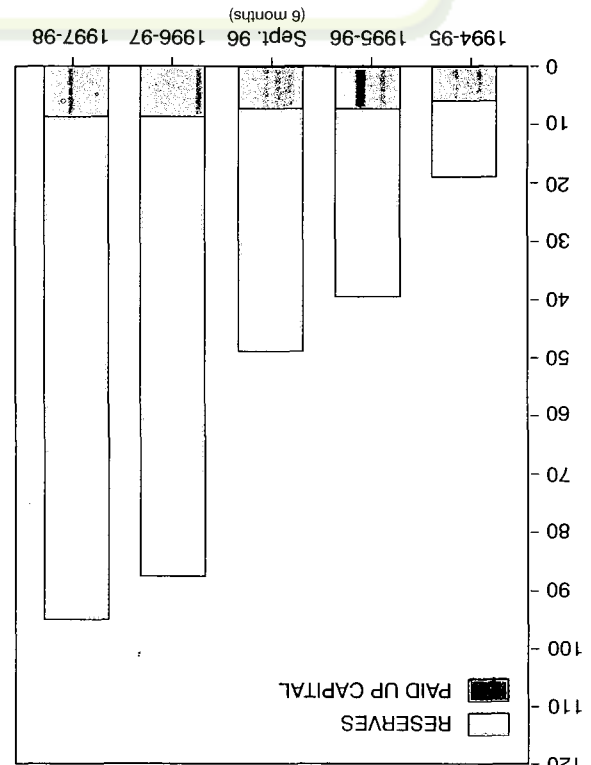
Debt Equity

(Rs. in crores)



Shareholders' Fund

(Rs. in crores)





CABOT INDIA LIMITED

Regd. Off. : N K M International House, 178 Backbay Reclamation, 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 36th Annual General Meeting at Patkar Hall, SNDT Women's University, New Marine Lines,
Mumbai - 400 020 on Friday, March 19, 1999._____
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 Backbay Reclamation, 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 36th Annual General Meeting of the Company to be held at
Mumbai on March 19, 1999 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 1999.

Signed by the said _____

of _____

Affix 30 P
Revenue
StampThis 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>
D R Young	
C R Dua	<i>Alternate for D R Young</i>
Michael G Fowler	
Y H Malegam	
Alok Gupta	<i>Managing Director</i>

COMPANY SECRETARY

P Ramanathan

SOLICITORS

Little & Co.

AUDITORSS. 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, Backbay Reclamation,
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-SIXTH Annual General Meeting of the Company will be held at Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai-400 020 on Friday, March 19, 1999 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, 1998 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 Dr. H N Sethna who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Mr. M Varadarajan who retires by rotation and being eligible offers himself for re-appointment.
5. 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, in place of the retiring Auditors, Messrs. S R Batliboi & Associates, Chartered Accountants, Mumbai, who do not wish to seek re-appointment, Messrs. Lovelock & Lewes, Chartered Accountants, Mumbai, be and are hereby 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. 3,00,000/- per annum and in addition they be reimbursed all out-of pocket expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary to implement this resolution."

By Order of the Board

P RAMANATHAN
Company Secretary

Mumbai, January 29, 1999

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 26, 1999 to those Members whose names are on the Company's Register of Members on March 19, 1999. Dividend will be paid by warrants crossed "Account Payee".

The Register of Members and the Transfer Books of the Company will remain closed from Wednesday, March 10, 1999 to Friday, March 19, 1999 (both days inclusive).

NOTICE (Contd.)

- (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 has been 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.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the appointment of Auditors.

Item No. 5

The retiring auditors, Messrs. S R Batliboi & Associates, Chartered Accountants, Mumbai are not seeking re-appointment and the Company has received a Notice from a member for appointment of Messrs. Lovelock and Lewes, Chartered Accountants, Mumbai as Statutory Auditors of the Company to Audit the Books of Accounts for the Financial Year commencing from October 1, 1998 and to hold the office until the conclusion of the next Annual General Meeting. Messrs. Lovelock & Lewes by their letter dated December 23, 1998 have signified their consent to act as Auditors of the Company, if appointed and to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

The Board of Directors recommend passing of this resolution.

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

The letter dated December 23, 1998 received under Section 224 (1B) of the Companies Act, 1956 from Messrs. Lovelock & Lewes is open for inspection of the members.

By Order of the Board

P RAMANATHAN
Company Secretary

Mumbai, January 29, 1999

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



FINANCIAL HIGHLIGHTS AT A GLANCE

	1997-98	1996-97	Sept. '96†	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
	Rs. in lakhs									
A. CAPITAL ACCOUNTS:										
1. What the Company Owned:										
Fixed Assets:										
Gross Block	6781.87	5456.40	5395.74	5344.22	5332.71	4980.44	3809.96	1343.06	1002.13	982.17
Depreciation	2063.39	1951.67	1649.85	1503.16	1200.22	1054.85	956.96	868.89	849.87	830.02
Net Block	4718.48	3504.73	3745.89	3841.06	4132.49	3925.59	2853.00	474.17	152.26	152.15
Investments	318.36	522.48	22.48	22.48	22.48	18.43	13.39	10.44	10.44	10.44
Net Current Assets	5059.16	5530.78	4317.88	3808.54	2379.45	2670.08	2605.69	1887.63	1593.64	1395.26
	10096.00	9557.99	8086.25	7672.08	6534.42	6614.10	5472.08	2372.24	1756.34	1557.85
2. What the Company Owed:										
Borrowings:										
Secured Loans	395.79	524.60	2926.39	3101.58	3906.29	3892.40	2817.01	1000.85	661.50	659.22
Unsecured Loans	149.45	235.04	270.37	624.89	734.62	718.08	278.20	272.88	111.18	97.84
	545.24	759.64	3196.76	3726.47	4640.91	4610.48	3095.21	1273.73	772.68	757.06
3. Shareholders' Funds:										
Equity Share Capital	873.84	873.84	713.34	713.34	582.56	582.56	582.56	279.63	279.63	279.63
Reserves & Surplus	8676.92	7924.51	4176.15	3232.27	1310.95	1421.06	1794.31	818.88	704.03	521.16
	9550.76	8798.35	4889.49	3945.61	1893.51	2003.62	2376.87	1098.51	983.66	800.79
B. REVENUE ACCOUNTS:										
Sales	11614.56	12878.21*	6522.06*	10322.38*	8007.15*	4990.37	6860.66	5347.18	3838.81	3012.57
Other Income	219.01	153.68	21.79	46.66	99.16	86.18	50.43	44.81	114.81	56.17
	11833.57	13031.89	6543.85	10369.04	8106.31	5076.55	6911.09	5391.99	3953.62	3068.74
Manufacturing Expenses	6771.58	7074.54	3091.80	6012.14	4933.04	4429.45	5574.70	4515.39	3122.41	2479.87
Other Expenses	3072.26	3360.95	1781.34	2578.44	2255.39	690.22	659.96	382.05	252.82	202.66
	1989.73	2596.40	1670.71	1778.46	917.88	(43.12)	676.43	494.55	578.39	386.21
Gross Operating Profit/(Loss)	85.45	376.92	324.95	763.81	825.78	666.12	342.69	180.63	99.56	85.58
Financial Charges	355.02	305.17	151.07	303.79	274.63	105.31	88.40	27.31	21.08	20.63
Depreciation	1549.26	1914.31	1194.69	710.86	(182.53)	(814.55)	245.34	286.61	457.75	280.00
	—	—	—	—	70.17	428.72	165.35	22.44	—	—
Pre-Operative Expenses Capitalised	1549.26	1914.31	1194.69	710.86	(112.36)	(385.83)	410.69	309.05	457.75	280.00
Profit/(Loss) Before Tax	509.00	500.60	140.70	1.40	0.60	0.20	222.00	154.00	218.00	130.00
Tax	1040.26	1413.71	1053.99	709.46	(112.96)	(386.03)	188.69	155.05	239.75	150.00
Profit/(Loss) After Tax										
C. EQUITY SHAREHOLDERS' EARNINGS RS.:										
1. Earnings per Equity Share	12	16*	148	99@	(19)	(66)	32**	55	86	54
2. Dividend per Equity Share	3	3	15	20	NIL	NIL	20	20	20	16
3. Book Value per Equity Share	109	101	685	553	325	344	408	393	352	286

On Enlarged Capital Consequent upon allotment of new Shares on April 11, 1997 on Preferential Basis and Subdivision of Share from face value of Rs. 100 each to Rs. 10 each.

@ On Enlarged Capital Consequent upon allotment of New Shares on October 1, 1995 on Preferential Basis.

** On Enlarged Capital Consequent upon allotment of Rights Shares on June 19, 1992 in the Ratio of 1:1.

\$ Sales & Expenses are inclusive of excise duty.

† For six month period.

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Thirty-Sixth Annual Report together with the Audited Accounts of the Company for the Financial Year ended September 30, 1998.

FINANCIAL RESULTS

	1997-98	Rs. in Lakhs 1996-97
Sales & Other Income	11833.57	13031.89
Operating Profit (Before Interest, Depreciation & Tax)	1989.73	2596.40
Less:		
(i) Interest	85.45	376.92
(ii) Depreciation & Amortisation	355.02	305.17
Profit Before Taxation	1549.26	1914.31
Taxation	509.00	500.60
Profit After Taxation	1040.26	1413.71
Add/(Deduct):		
(i) Prior year adjustments	0.53	(4.99)
(ii) Transfer from Investment Allowance Reserve	—	0.09
	1040.79	1408.81
Surplus brought forward	416.28	267.97
Disposable Profit:	1457.07	1676.78
which has been appropriated as under:		
(i) Proposed Dividend	262.15	236.82
(ii) Provision for Tax on Dividend	26.22	23.68
(iii) General Reserve	500.00	1000.00
(iv) Surplus Carried forward	668.70	416.28
	1457.07	1676.78

DIVIDEND

To face the changing market conditions and to conserve resources for planned capital expenditure, your Directors recommend for your approval payment of dividend at the rate of Rs. 3 per equity share (30%) Previous year 30%.

The said dividend, if approved, will absorb Rs. 288.37 lakhs (Previous year Rs. 260.50 lakhs) including tax on dividend of Rs. 26.22 lakhs (Previous year Rs. 23.68 lakhs) and will be paid to those members whose names appear on the Register of Members as on March 19, 1999.

REVIEW OF OPERATIONS

The turnover and profitability for the year under review were affected due to adverse market conditions resulting in lower volume and sales realisation. This was further compounded by the poor quality of power leading to loss of production.