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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



MEMBER JUMBO GROUP



Annual Report 1996-97

Mather + Platt

CHAIRMAN	M.R. CHHABRIA
EXECUTIVE DIRECTOR	Y.C. LUMBA
DIRECTORS	K.C. WAZIR (Alternate to M.R. Chhabria) R.A. SHAH D.S. SOMAN
AUDITORS	S.R. BATLIBOI & ASSOCIATES
SOLICITORS	CRAWFORD BAYLEY & CO.
BANKERS	THE UNITED WESTERN BANK LTD. RUPEE CO-OPERATIVE BANK LTD. HONGKONG & SHANGHAI BANKING CORPORATION LTD. ANZ GRINDLAYS BANK p.l.c.

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Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as the practice of distributing copies of the Report at the Meeting has been discontinued in view of the high cost of paper and printing.

REGISTERED OFFICE

UDYOG BHAVAN,
29, WALCHAND HIRACHAND MARG,
BALLARD ESTATE, MUMBAI-400 038

BRANCH OFFICES

MUMBAI

Hamilton House, 8, J.N. Heredia Marg,
Ballard Estate, Mumbai-400 038

CALCUTTA

Nilhat House, 8th Floor,
11, R.N. Mukherjee Road, Calcutta - 700 001

DELHI

Ansal Bhavan, 8th Floor,
16, Kasturba Gandhi Marg, New Delhi - 110 001

MADRAS

Egmore Benefit Society Building,
13, Flowers Road, Madras - 600 084

FACTORIES

CALCUTTA

Maidan Works, 5, Gopal Doctor Road,
Kidderpore, Calcutta - 700 023

PUNE

Chinchwad Works,
Chinchwad, Pune - 411 019

Please address all your correspondence regarding Transfers/Change of Address/Dividend and other share matters to our Registrars and Share Transfer Agents :

TATA CONSULTANCY SERVICES

LOTUS HOUSE, 6, SIR VITHALDAS THACKERSEY MARG,
NEW MARINE LINES, MUMBAI - 400 020
and **NOT** to the Company to avoid delay.

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MATHER AND PLATT (INDIA) LTD.

NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty-eighth Annual General Meeting of the members of MATHER AND PLATT (INDIA) LIMITED will be held at Patkar Hall, S. N. D. T. Womens University, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai - 400 020 on Tuesday, 30th September, 1997 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To declare a dividend.
3. Mr. D. S. Soman who retires by rotation, does not seek reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
5. To consider and if thought fit, to pass the following resolution, with or without modifications, as an **Ordinary Resolution** :

"RESOLVED that pursuant to Sections 198, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the appointment and remuneration payable to Mr. K. C. Mehta, as a Whole-time Director of the Company, with effect from 23rd September, 1996 upto 9th April, 1997 (being the period of his tenure as Whole-time Director) as set out in the Agreement dated 16th October, 1996 entered into between the Company and Mr. K. C. Mehta and which is placed before this meeting and initialed by the Chairman for the purpose of identification."

6. To consider and if thought fit, to pass the following resolution, with or without modifications, as a **Special Resolution** :

"RESOLVED that subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to such consents, approvals, permissions and sanctions as may be necessary from such authority or authorities as may be required, and subject to such terms, conditions and stipulations or such modifications thereto as may be prescribed by them in granting such consents, approvals, permissions and sanctions, consent be and is hereby accorded to issue and allot 34,96,162 equity shares of Rs.10/- each to Mather &

Platt II Limited, Mauritius, at a price not less than the higher of the following :

The average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the six months preceding the relevant date :

OR

The average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the two weeks preceding the relevant date.

EXPLANATION

- (a) "The 'relevant date'" for the purpose of this resolution means 30 days prior to the date of this Annual General Meeting.
- (b) "Stock Exchange" shall mean any of the Stock Exchanges in which the shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the Company have been recorded during the preceding six months prior to the relevant date.

OR

Such other price to be determined in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) or any other relevant authorities.

RESOLVED FURTHER that the issue of equity shares to Mather & Platt II Limited, Mauritius, shall be inter alia, subject to the following terms and conditions :

- (a) The said equity shares issued and allotted by the Company will be subject to Memorandum and Articles of Association of the Company and such shares shall rank pari passu with the existing equity shares of the Company in all respects, except that they shall be entitled to dividend from the date of allotment on pro-rata basis.
- (b) The Board will determine the time of issue, the amount payable on application, allotment and by way of further calls, if any, in respect of the said shares.
- (c) In the event of the Company making a Bonus/Rights issue prior to allotment of equity shares on preferential basis as aforesaid, the number

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of shares, the price and the time period shall be suitably adjusted.

RESOLVED FURTHER that for the purpose of giving effect to the foregoing resolution, the Executive Director be and is hereby authorised to do all such acts, deeds, matters and things as it may be necessary including filing necessary notices and applications with Stock Exchanges, SEBI and other regulatory bodies."

On behalf of the Board

Y. C. LUMBA
Executive Director

Registered Office :

Udyog Bhavan
29, Walchand Hirachand Marg
Ballard Estate
Mumbai 400 038

Dated : 30th June, 1997.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement relating to Item Nos. 5 & 6 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 16th September, 1997 to Tuesday, 30th September, 1997 both days inclusive.
4. The dividend on equity shares, if declared at the meeting will be payable on 10th November, 1997 to those shareholders whose names stand on the Register of Members of the Company on 30th September, 1997.
5. Dividend mandates and intimation of change of address, if any, should be sent to the Company's Registrars and Share Transfer Agents before 15th

September, 1997. The Company will not be responsible if no action could be taken on such intimation received after the said date.

6. The unclaimed dividends upto the Company's Financial Year 1992-93 have been transferred to the General Revenue Account of the Central Government. This includes an amount of Rs.1,54,305/- being the unclaimed dividend in respect of the Financial Year 1992-93 which was transferred to Central Government on 8th November, 1996. Shareholders who have not encashed their dividend warrants for the said years are requested to claim the amount from Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2nd floor, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033. The unclaimed dividend in respect of the year 1993-94 will be due for transfer to Central Government in November, 1997. Shareholders who have not encashed the dividend warrants for the said year are requested to claim their dividends from the Company before transfer to Central Government.

ANNEXURE TO NOTICE :

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

Item 5

The Board of Directors of the Company at its meeting held on 23rd September, 1996 appointed Mr. K. C. Mehta as Whole-time Director for a period of 5 years from 23rd September, 1996 on the terms and conditions as set out in the agreement dated 16th October, 1996 entered into between the Company and Mr. K. C. Mehta. However Mr. K. C. Mehta has resigned from the Board with effect from 9th April, 1997. His appointment and perquisites payable by the Company to Mr. K.C. Mehta are subject to approval of the Shareholders of the Company under Sections 269, 309 and schedule XIII of the Companies Act, 1956.

The remuneration payable to Mr. K.C. Mehta as set out in the Agreement dated 16th October 1996, entered into between the Company and Mr. K.C. Mehta is as follows :

- (1) **Salary** : Rs.25,000/- per month.
- (2) **Commission** : At the rate of 1% of the net profits of the Company in each financial year subject to a ceiling of 50% of his annual salary or Rs.1,50,000 per annum whichever is less. Provided, however, that the commission will be payable on pro-rata basis, in the event of earlier cessation or termination of the appointment, as may be approved by the Board of Directors or its Committee for each year.

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- (3) **Perquisites** : The Director shall be entitled to the following perquisites provided the value of the perquisites shall be restricted to Rs.3,00,000/- per annum.

(i) **Housing :**

- (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Director will be subject to ceiling of 60% of the salary over and above 10% payable by the Director.

or

- (b) In case the Director is provided accommodation owned by the Company, 10% of the salary shall be deducted by the Company.

or

- (c) In case no accommodation is provided by the Company, the Director shall be entitled to House Rent Allowance subject to the ceiling laid down in item (a) above.

The expenditure incurred by the Company on gas, electricity, water and furnishings to be valued as per the Income-tax Rules, 1962.

(ii) **Medical Reimbursement :**

Reimbursement of Medical expenses incurred by the Director for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

- (iii) **Leave Travel Concession :** Leave Travel Concession for him and his family once a year incurred in accordance with the rules of the Company.

- (iv) **Club Fees :** Payment/Reimbursement of fees (excluding admission and life membership fees) of maximum two clubs.

- (v) **Personal Accident Insurance :** Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.1.000/-.

For the purpose of above, 'family' means the spouse, dependent children and dependent parents of the Director.

- (4) **Provident Fund** : Entitled to the benefits of Provident Fund, Superannuation Fund or Annuity Fund in accordance with the rules of the Company. Company's

contribution to such funds not to be included in the computation of the ceiling on perquisites to the extent these, either singly or jointly put together, are not taxable under the Income-Tax Act.

- (5) **Gratuity** : Gratuity as per the Rules of the Company, but shall not exceed half a month's salary for each completed year of service.

- (6) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Director.

In case of loss or inadequacy of profits in any financial year/s during the tenure, he shall be entitled to the remuneration subject to Schedule XIII to the Companies Act, 1956.

The Director to be entitled to reimbursement for entertainment expenses actually and properly incurred for the Company's business.

The Director not to be paid any sitting fees for Board or for Committee meetings attended.

The Director to be entitled to leave on full pay and allowances as per the rules of the Company but not more than one month in a year during the period of Agreement. Leave can be accumulated for a period of 60 working days. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.

The Directors consider that the remuneration and perquisites payable to Mr. K. C. Mehta are fair and reasonable and commensurate with his responsibilities and duties. The Board recommends the Resolution at item 5 for acceptance. The Agreement dated 16th October, 1996 entered into between the Company and Mr. K. C. Mehta is available for inspection by the Shareholders at the Registered Office of the Company on all working days except Saturdays.

None of the Directors are interested in the resolution.

Item 6

In order to meet the growing demand of funds for the business, the Company has to augment its resources for long term finance. Mather & Platt II Limited, Mauritius which holds about 40% of the paid-up capital of the Company have in principal agreed to finance the Company and also consolidate its holding. This decision of Mather & Platt II Limited, Mauritius is indicative of its confidence in the

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NOTICE

company and its commitment and involvement in progressing business of the Company. Having regard to these factors the Board of Directors have decided to increase Company's paid-up capital by issuing and allotting to Mather & Platt II Limited, Mauritius 34,96,162 equity shares on preferential basis in terms of section 81 (1-A) of the Companies Act, 1956 and according to the Guidelines issued by the Securities and Exchange Board of India vide Press Note dated 4th August, 1994 for preferential allotment of shares. The Issue of the new equity shares shall be subject to the necessary permissions and approvals from the Reserve Bank of India.

The Board of Directors makes the following disclosure as required by Regulation 3(1)(c) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The proposed preferential allotment of 34,96,162 equity shares would be in favour of Mather & Platt II Limited, Mauritius at price which shall be strictly in accordance with the Press Note dated 4th August, 1994 issued by SEBI for preferential allotment of shares. The issue of these new equity shares would result in an increase in their equity holding/voting rights in the Company from the existing 40%

to 51%. However, there would be no change in the Board of Directors of the Company and the proposed allotment would also not result in any change in the control over the Company in any manner.

The approval of the shareholder by a special resolution is necessary having regard to the provisions of Section 81(1A) of the Companies Act, 1956. Except to the extent of the shares, if any, held by the Directors, none of the Directors have any pecuniary or material interest in the resolution.

On behalf of the Board

Y. C. LUMBA
Executive Director

Registered Office :

Udyog Bhavan
29, Walchand Hirachand Marg
Ballard Estate
Mumbai 400 038

Dated : 30th June, 1997.

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MATHER AND PLATT (INDIA) LTD.

Directors' Report

The Directors have pleasure in presenting the 38th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 1997.

GENERAL

In the year 1996-97, the economic reforms have considerably slowed down and this has affected the industrial growth adversely. Political uncertainty also contributed to the slow down of the economy.

In spite of the fact that Banks and Financial institutions had accumulated considerable funds, the general money market continued to be tight and most of the industries have been starved for funds. With tighter Governmental controls, inflation has remained under control.

OPERATIONS

The turnover for the year ended 31st March, 1997 has been Rs. 84.21 Crores and only marginally better than last year's turnover of Rs. 82.68 Crores. Because of recessionary trends and severe competition, a number of orders with low margins had been booked and executed and this has adversely affected the profitability of the Company with an Operating profit of Rs. 53 lacs against last year's Rs. 341 lacs and Profit After Tax of Rs. 10 lacs against last year's Rs. 419 lacs.

FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	Year Ended 31.3.97	Year ended 31.3.96
Sales & Service Income	8421	8268
Total Expenditure	8368	7927
Operating Profit	53	341
Other Income	97	317
Profit Before Tax	150	658
Adjust. in respect of leave encashment	—	20
Tax Provision	140	219
Profit After Tax	10	419
Transfer from:		
Inv. Allowance Reserve	—	21
Balance Brought Forward from Previous Year	329	160
Profit Available for Appropriation	339	600
Proposed Dividend	154	231
Tax on Dividend	15	—
Transferred to General Reserve	1	40
Balance in Profit & Loss Account	169	329

DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 1 per share (Previous Year Rs. 1.5 per share) .

FLUID ENGINEERING DIVISION

The year has seen substantial growth in Pumps orders and sales. On the domestic front, the Division has bagged orders over Rs. 2 Crores for large sewage Pumps for Municipal Corporation of Delhi. Large orders from the Colliery and Turnkey Projects for the Periyapattanam Irrigation Project were also bagged during the year.

Large two-stage Vertical Execution Pumps were successfully produced for the first time in the country. These were successfully manufactured, tested and supplied to the National Water Conservation Pipeline Corporation in Kenya within the stipulated delivery period.

With the announcement of large Lift Irrigation Projects like the Gujarat Narmada Sarovar and Krishna Valley Projects, business prospects for the next year are very encouraging.

Export Orders continue to be received and the Division is poised for a quantum leap in orders and sales during the next year.

PROCESS MACHINERY DIVISION

The Process Machinery Division's performance has been below expectation mainly due to lack of Textile and Food Machinery orders. The liquidity crisis in the market resulted in the shelving of many projects both in the Food and Textile Sectors.

This situation is likely to improve this year and the Division is gearing up to meet the market requirement.

Despite the slump the Division has managed to bag a prestigious order for Chain Merceriser and Washing Range against stiff global competition.

FIRE AND SECURITY ENGINEERING DIVISION

The Fire and Security Engineering Division's performance has been very much below expectation mainly because of lack of orders from Power Projects which were sanctioned during the year 1995-96 but have not started. Liquidity crisis in the market also affected release of money from customers, consequently resulting in delays on execution of projects and increase in costs.

INDUSTRIAL RELATIONS

Industrial relations continue to be cordial.

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REPORT and ACCOUNTS - 1997

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in an Annexure to the Report.

FIXED DEPOSITS

The total amount held by the Company as on 31st March, 1997 was Rs. 316.84 lacs from 2787 depositors. 17 deposits aggregating to Rs. 1,57,000 which had matured during the year remained unclaimed pending instructions from the depositors. Out of the above 11 deposits aggregating to Rs. 91,000 have been paid or renewed by the date of this report.

DIRECTORS

Mr. K.C. Mehta has been appointed as an additional Director of the Company effective 23rd September, 1996. During the year Ms. Komal C. Wazir was appointed as an alternate to Mr. M. R. Chhabria. Mr. D.S. Soman retires by rotation but does not seek reappointment. The company for the present do not wish to appoint any director in his place.

GILBERT INVESTMENTS

The Accounts of Gilbert Investments Limited, which is subsidiary of your Company are attached.

AUDITORS' REPORT

As regards the observation in the Auditors' Report at Para No. 2 (e) to 2 (h) the relevant notes on accounts are self-explanatory.

PERSONNEL

A statement containing the particulars of employees as required by Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder is given in an Annexure to this Report.

Your Directors wish to place on record their appreciation to all employees for their efforts and dedication in achieving these results.

AUDITORS

Messrs S.R. Batliboi & Associates, Chartered Accountants, retire as Auditors and have expressed their willingness to hold office, if re-appointed.

On behalf of Board of Directors

Y. C. Lumba
D. S. Soman

Place : Mumbai

Dated : 30th June, 1997

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Annexure to Directors' Report

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 1997.

A. CONSERVATION OF ENERGY

a. Energy Conservations measures taken :

A number of steps have been taken to conserve energy, such as, utilization of energy saving devices wherever possible, power factor corrections and switching over from mercury lamps to sodium vapour lamps. Consumption of water and lubricants have also been controlled by efficient preventive maintenance.

b. Additional investment and proposals for reduction in consumption of energy :

Investments for energy conservation is an ongoing and continuous process. Based on energy audits conducted from time to time necessary investments are being made to ensure reduction in energy consumption.

c. Impact of the measures (a) & (b) above for reduction on energy consumption and consequent impact on cost of production :

Energy consumption has been reduced by introducing various measures mentioned in (a) and (b) above.

B. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT

1. Specific areas in which Research and Development carried out in the Company:

(a) A new range of Sewage Pumps have been designed by the Division to cater to the growing Sewage Pumping requirements in the country.

(b) Energy efficient pumps for other applications such as Water Supply and irrigation have also been developed to meet the growing demand.

(c) Pump Model study was successfully conducted for the 500 mm Circulating Water

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Pumpsets for Chandrapur Power Station of M.S.E.B.

- (d) Adjustable Frequency Control (AFC) Drives were developed to modernise the Washing Range for Textile Mills.

2. Benefits derived as a result of above Research & Development:

The R & D efforts has resulted in increasing the efficiency of the products, widening the area of applications, addition in product range, import substitution and increased Foreign Exchange Earnings through export.

3. Future Plan of Action :

The future plans include implementation of information/advantages gained from these activities. It is further planned that projects for continuous improvement of existing products as well as development of new products will be taken up.

4. Expenditure on Research & Development :

	(Rs. in lacs)
(a) Capital	1.03
(b) Recurring	2.26
(c) Total	3.29
(d) Total R&D Expenditure as a percentage of turnover	.04 %

5. Technology absorption, adaptation and innovation:

Assimilation and adoption of Technology for the products of all our Divisions is ongoing process as detailed out earlier in our report.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to exports, initiative taken to increase exports, development of new export

markets for products and services and export plans.

The Company continues to lay importance on exports and is continuously engaged in developing new markets. Exports during the year were Rs. 531.69 lacs.

- b. Total foreign exchange used and earned:

	(Rs. in lacs)	Year ended
	31.3.97	31.3.96
1. Imports - C.I.F. Value Raw Materials Components & Spare Parts and Capital Goods	454.79	121.50
2. Travelling, Subscriptions, Commission, Professional Charges & Testing Fees, etc.	11.60	35.64
3. Technical Know How Fees	—	—
4. Dividend Remitted to Non-Resident Shareholders	87.55	87.55
5. Earnings in Foreign Exchange Exports - FOB Value	531.69	499.49
6. Other Income being Service Charges, Recovery of Freight, Marine Insurance	14.87	11.62

On behalf of the Board of Directors

Y. C. Lumba
D. S. Soman

Place : Mumbai

Date : 30th June, 1997

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REPORT and ACCOUNTS - 1997

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	1996-97	1995-96	1994-95	1993-94	1992-93
SHARE CAPITAL	1540	1540	1540	1540	1540
RESERVES & SURPLUS	5594	6155	4515	4534	4713
NET WORTH	7134	7695	6055	6074	6253
BORROWINGS	740	1066	964	403	164
GROSS BLOCK	5834	5787	4193	3991	4203
ACCUMULATED DEPRECIATION	1881	1648	1432	1223	1080
NET BLOCK	3953	4139	2761	2768	3123
SALES & OTHER INCOME	8519	8585	8104	6859	6292
EXPORTS	547	511	644	811	815
PROFIT BEFORE TAX	150	658	435	325	421
PROFIT AFTER TAX	10	419	337	230	226
DIVIDENDS	154 *	231	231	154	154

* Recommended

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