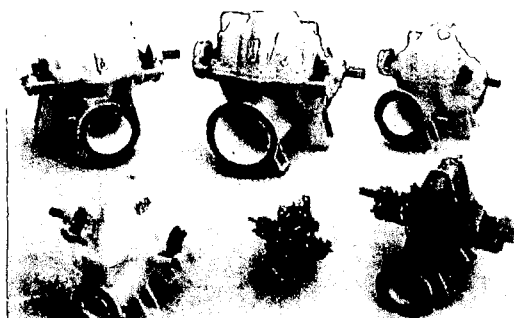
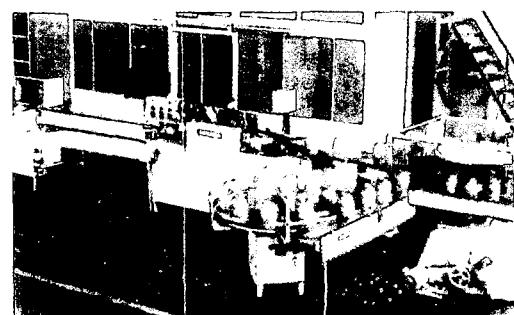
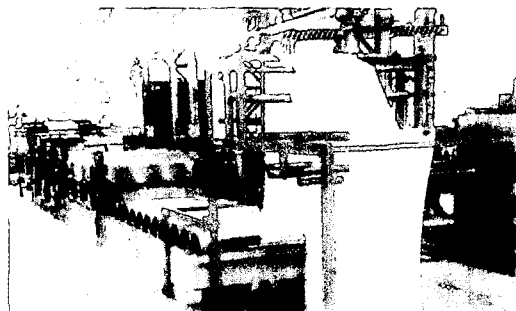




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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



CHAIRMAN	M.R. CHHABRIA
EXECUTIVE DIRECTOR	Y.C. LUMBA
WHOLE TIME DIRECTOR	P. U. K. MENON
DIRECTORS	R.A. SHAH MS. K.C. WAZIR (Alternate to M. R. Chhabria) R. K. JAIN P. J. RAO
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

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

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

CHENNAI
Egmore Benefit Society Building,
13, Flowers Road, Chennai - 600 084

FACTORIES

PUNE
Chinchwad Works
Chinchwad, Pune - 411 019

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

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

NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the members of MATHER AND PLATT (INDIA) LIMITED will be held at Walchand Hirachand Hall, Indian Merchants Chamber Building, Indian Merchants Chamber Marg, Near Churchgate Station, Mumbai 400 020 on Wednesday, 23rd September, 1998 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 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. To appoint a Director in the place of Mr. R.A. Shah who retires by rotation as a Director and, being eligible, offers himself for 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.

SPECIAL BUSINESS

To consider and if thought fit to pass the following resolutions, with or without modifications:

As an Ordinary Resolution:

5. "RESOLVED that, a notice in writing having been received from a Member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. P.U.K. Menon for the office of Director, Mr. P.U.K. Menon be and is hereby appointed a Director of the Company".

As an Ordinary Resolution:

6. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. P.U.K. Menon as an Executive Director of the Company for a period of 5 years, with effect from 26th November, 1997 on the terms and conditions as stated in the Explanatory Statement annexed to this Notice".

"RESOLVED FURTHER that in the event of loss or absence or inadequacy of profits in any financial year of the Company during Mr. Menon's term of office as Whole-time Director, the remuneration payable to him shall be subject to Schedule XIII to the Companies Act, 1956 or any amendments thereto".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said appointment, so as not to exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Menon".

As an Ordinary Resolution

7. "RESOLVED that Mr. R.K. Jain who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

As an Ordinary Resolution

8. "RESOLVED that Mr. P.J. Rao who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

As a Special Resolution

9. "RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

After Article 24, insert the following Article as Article 24 A:

Buy Back of Shares: 24 A : Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own shares or securities, the Board of Directors may, when and if thought fit buy back such of the Company's own

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Notes

shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law".

As a Special Resolution:

10. "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 subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and sanctions, as may be prescribed or imposed while granting such approvals, permissions and sanctions, and which may be agreed to or accepted by the Board of Directors of the Company, the consent of the Company be and it is hereby accorded to the Board of Directors to acquire/ purchase any of its own shares on such terms and conditions and upto such limits as may be prescribed by law from time to time provided that such purchase of shares be not construed as reduction in capital under sections 100 to 104 and 402 of the Companies Act, 1956 and that the Board of Directors be and it is hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement the resolution".

On behalf of the board

P. U. K. Menon
Whole-time Director

Registered Office

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

Dated: 29th June, 1998

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 to 10 of the Notice is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will be closed from Monday, 7th September, 1998 to Wednesday, 23rd September, 1998 both days inclusive.
4. The dividend on equity shares if declared at the meeting will be payable on 3rd November, 1998 to those shareholders whose names stand on the Register of Members of the Company on 23rd September, 1998.
5. Dividend mandates and intimation of change of address, if any, should be sent to the Company's Registrars and Share Transfer Agents before 6th September, 1998. 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 1993-94 have been transferred to the General Revenue Account of the Central Government. This includes an amount of Rs 1,10,609, being the unclaimed dividend in respect of the Financial Year 1993-94 which was transferred to Central Government on 3rd November, 1997. 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 1994-95 will be due for transfer to Central Government in November, 1998. 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.

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**MATHER AND PLATT
(INDIA) LTD.**

Annexure to the Notice

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

ITEM NOS. 5 AND 6

The Board of Directors of the Company at its Meeting held on 26th November, 1997 appointed Mr. P.U.K. Menon as an additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956 read with Article 114 of the Articles of Association of the Company, Mr. P.U.K. Menon holds office upto the date of the forthcoming Annual General Meeting of the Company. A Notice in writing has been received by the Company from a member under Section 257 of the Companies Act, 1956 alongwith a deposit signifying his intention to propose Mr. P.U.K. Menon as a candidate for the appointment as a Director.

At the aforesaid meeting of the Board of Directors of the Company held on 26th November, 1997, Mr. P.U.K. Menon was appointed as Wholetime Director for a period of five years from 26th November, 1997 on the terms and conditions as set out in the agreement entered into between the Company and Mr. P.U.K. Menon. His appointment and remuneration and perquisites payable by the Company are subject to the approval of the Shareholders of the Company under Section 269, 309 and 310 of the Companies Act, 1956.

Mr. P.U.K. Menon is a Mechanical Engineer and is with the Company since last 30 years. During his tenure he has held several responsible positions and has the necessary professional knowledge and expertise.

The remuneration payable to Mr. P.U.K. Menon as set out in the Agreement entered into between the Company and Mr. P.U.K. Menon is as follows:

1. **Period of Appointment :** 5 years from 26th November, 1997.
2. **Remuneration :**
 - (i) **Salary :** Rs. 40,000/- per month.
 - (ii) **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 per annum whichever is less, provided however, that the commission will be payable on prorata basis, in the event of earlier cessation or termination of service as may be approved by the Board of Directors or its committee for each year.
 - (iii) **Perquisites :** The Whole-time Director shall be entitled to the following perquisites provided that the value of the perquisites shall be restricted to Rs.4,80,000/- per annum.

CATEGORY - A

(i) Housing:

- (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Director will be subject to a 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 of the Director 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.

- (ii) **Medical Reimbursement :** Reimbursement of the expenses incurred by the Director for self and family is 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 two clubs.

- (v) **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.1000/-.

For the purpose of Category-A "Family" means the spouse, dependent children and dependent parents of the Director.

CATEGORY - B

- (i). **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 stated above to the extent these, either singly or put together are not taxable under the Income Tax Act.

- (ii). **Gratuity :** In accordance with the Gratuity scheme of the Company in force from time to time, provided, however that the gratuity payable shall not exceed

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half a month's salary for each completed year of service.

CATEGORY - C

Provision of car for use of Company's business and telephone at residence, provided however that 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 of the Company, during the term of the appointment of the Director, he shall be entitled to the remuneration subject to schedule XIII to the Companies Act, 1956.

The Director shall be entitled to reimbursement of entertainment expenses actually and properly incurred on account of Company's business.

The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.

The Director shall be entitled to leave on full pay and allowances as per the rules of the Company but not more than one month in each year during the period of agreement. Leave can be accumulated upto 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 Mr. P.U.K. Menon's knowledge and experience will be very valuable and helpful to the Company and the remuneration and perquisites payable to Mr. P.U.K. Menon are fair and reasonable and commensurate with his responsibilities and duties. The Board recommends appointment of Mr. P.U.K. Menon.

The Agreement entered into between the Company and Mr. P.U.K. Menon is available for inspection by the shareholders at the Registered Office of the Company on all working days except Saturdays.

Mr. P.U.K. Menon is interested in the Resolution at item 6 since it concerns him.

This statement of the terms of appointment of Mr. P.U.K. Menon together with accompanying notice should also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

ITEM NOS. 7 AND 8

Mr. R.K. Jain and Mr. P.J. Rao were appointed as Additional Directors of the Company with effect from 30th September, 1997. Pursuant to the Articles of Association of the Company and Section 260 of the Companies Act, 1956, Mr. R.K. Jain and Mr. P.J. Rao hold office as Directors only upto the date of this Annual General Meeting and are eligible for appointment. The Company has received notices and the deposits pursuant to Section 257 of the Companies Act, 1956 from members proposing their candidature for the office of Director at the ensuing Annual General Meeting. The Board recommends their appointment as Directors of the Company.

ITEM NO. 9

Article 24 of the Articles of Association of the Company prohibits the Company from buying its own shares and securities. It is proposed to introduce a new Article 24 A in the Articles of Association as set out in the Resolution at Item 9 to enable the Company to purchase any of its shares or securities, as proposed in the Resolution at Item No. 10 in the event this is permissible by law. The Directors commend the Resolutions for acceptance by members.

ITEM NO. 10

Section 77 of the Companies Act, 1956 restricts the Company to purchase its own shares unless the same is done with a view to reduce its capital in pursuance of Sections 100 to 104 and 402 of the Companies Act, 1956. However, it is anticipated that the Companies Act, 1956 may be amended to provide for buy back of its own shares subject to certain conditions. Such buy back of shares, if permitted, is expected to enhance the shareholders value. Hence the Directors feel that it would be desirable to have an enabling power from the shareholders for this purpose, as set out in item 10 of the notice.

Your directors, therefore, recommend the resolution for your approval.

On behalf of the Board

P U K Menon
Whole-time Director

Registered Office:

Udyog Bhavan
29, Walchand Hirachand Marg
Ballard Estate
Mumbai 400 038.
Dated: 29th June, 1998.

MATHER AND PLATT (INDIA) LTD.

Directors' Report

Your Directors have pleasure in presenting the 39th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 1998.

SUMMARISED FINANCIAL RESULTS

	Rs. Lacs	
Year ended 31.3.98	Year ended 31.3.97	
Profit before Interest and Depreciation	635	493
Less : Interest	181	244
Depreciation	97	99
Profit before Tax	357	150
Tax Provision	69	140
Profit after Tax	288	10
Balance brought forward from previous year	169	329
Profit available for appropriation	457	339
Proposed Dividend	163	154
Tax on Dividend	16	15
Transferred to General Reserve	30	1
Balance in Profit & Loss Account	248	169

THE YEAR UNDER REVIEW

The Financial Year was a difficult one with the continuing general slowdown in industrial activities accompanied by a political uncertainty which has impacted several sectors of the economy. The performance of the Company during the year under review, if viewed in the context of the recessionary economic conditions, may be considered satisfactory.

The total income of Rs 8337 lacs was marginally lower as compared to the previous year mainly due to the stiff competition and other factors stated above. The net profit after depreciation and provision for tax for the year ended 31st March, 1998 was Rs. 288 lacs as compared to Rs. 10 lacs in the previous year.

Your company has, as an ongoing process, adopted various methods to achieve overall cost reductions/cost efficiencies. During the year under review, the Company announced a Voluntary Retirement Scheme for eligible employees which was well received.

DIVIDEND

The Directors are pleased to recommend a dividend of 10% i.e. Rs. 1 per share (previous year Rs. 1 per share)

OPERATIONS REVIEW

Fluid Engineering Division

The Fluid Engineering Division continues to consolidate its position in the market as a leading pump manufacturer and inspite of sluggish market the year saw record order booking which include 55 Nos. large vertical pumps for the prestigious Krishna Valley Development Project in Maharashtra. The Division secured another major order of 15 Nos. CW Pumps for Haldia Petrochemicals Ltd. which was executed in record time. Major turnkey orders for Hyderabad Metro Water Supply & Sewerage Board were also received. The Division has a healthy order backlog. Large CW pumps of MSEB Chandrapur Stage VII were successfully installed and commissioned.

On the exports front the order position has shown encouraging trends with major orders received for Malaysia and Iraq.

Despite sluggish market conditions, prospects for large pumps especially for Lift Irrigation and Water Supply projects look good. Export requirements also are very encouraging.

The Division has also been re-accredited by DNV ISO Certification after successful completion of 3 years consistent implementation across the Division.

PROCESS MACHINERY DIVISION

The Process Machinery Division's performance has not shown improvement as projected. During the year, inflow of both Textile and Food Machinery orders were low. The domestic Textile market has been sluggish and did not pick up during the whole year. The Division however received export orders and Textile Machines were exported to South Africa, Bangladesh and Nigeria.

Major achievement during the year has been development of a Soaper of extra wide width which was produced for the first time in India and exported to South Africa. A Hot Air Sterter for Bangladesh was successfully developed for the first time and delivered.

In the Food Sector, a Spice Irradiation System which is an import substitute was successfully developed and commissioned. Orders for similar machines are expected and the potential for Irradiation of food and cereals is seen to be high in future.

Although Textile Market still remains uncertain, business prospects for the Food Machinery are quite encouraging. Special efforts have been undertaken to strengthen the marketing/sales of Food Machinery.

FIRE & SECURITY ENGINEERING DIVISION

Due to lack of orders the Fire and Security Engineering Division was unable to meet sales and profit targets during the year under review. Most power projects were deferred and consequently major orders did not materialise. However, headway has been made in the oil and petrochemicals sectors and the Division received orders in the latter

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part of the year. The business prospects for the next year are encouraging as major expansion is slated for the oil companies.

The Division has been able to cut down the operating expenses and is in a better position to face the competition.

INDUSTRIAL RELATIONS

Industrial relations continue to be cordial.

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, 1998 was Rs. 354.68 lacs from 2525 depositors. 28 deposits aggregating to Rs. 3,32,200 which had matured during the year remained unclaimed pending instructions from the depositors. Out of above 6 deposits aggregating to Rs. 70,000 have been paid or renewed by the date of this report.

DIRECTORS

In accordance with the provisions of the Companies Act, and the Articles of Association, Mr. R. A. Shah, Director retires by rotation and is eligible for reappointment.

Mr. R. K. Jain and Mr. P. J. Rao were appointed as Additional Directors during the year. The Board recommends their appointment as Directors of your Company.

During the year under review, Mr. P. U. K. Menon was appointed as an additional Director & also as a Wholtime Director with effect from 26th November, 1997, on the terms and conditions as set out in the annexure to the notice. The Board recommends the appointment of Mr. Menon.

During the year under review, Mr. K. K. Chattopadhyay, who was appointed as an Additional Director of your Company, resigned as a member of the Board.

GILBERT INVESTMENTS

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

AUDITORS REPORT

As regards the observations in the Auditors' Report at Page No. 8 Para 2(e) the relevant notes on accounts is 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.

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
Executive Director

P. U. K. Menon
Whole-time Director

Place : Mumbai
Dated: 29th June, 1998.

Annexure to Director's Report

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 1998.

A. CONSERVATION OF ENERGY

- a. Energy Conservation being an on-going process, following measures are being under taken:

Strict control through awareness at all levels, utilisation of energy saving devices wherever possible, power factor correction, close voltage monitoring etc., consumption of water and lubricants have also been controlled by efficient preventive maintenance.

- b. Based on regular energy audits conducted from time to time, necessary investments are being made to ensure reduction in energy consumption, e.g., gradually changing street/yard lights from mercury to sodium vapour, utilisation of day/night switching meters to avoid overlapping on closing time etc.

Solar water heater utilisation in canteen, etc., also has helped in considerable conservation.

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

MATHER AND PLATT (INDIA) LTD.

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT

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

- (a) A new model of Axial Flow type was designed and developed to enhance range of Vertical Pumps.
- (b) New models added to the range of Horizontal Split Case and Vertical Pumps to meet customer specific requirements.
- (c) A range of Sewage handling/Non-Clog design was developed to augment the existing range of products.
- (d) Developed in-line Filling Machine for liquids for the oil industry. This was introduced in the Indian market for the first time.

(e) Developed a Spice Irradiation machine.

(f) Developed and supplied Chainless Merceriser for wider width application (over 3 metres wide on face) for the export market.

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

- (a) Addition to the existing product range.
- (b) Widening of the range of applications of existing products.
- (c) Increased share of export market.

3. Future Plan of Action:

Further R & D activities are in process for import substitution of pumping machinery. Similarly, in respect of food processing and textile machinery custom made machineries are under continuous process of development for the growing food and textile industries.

4. Expenditure on Research & Development:

(Rs. in lacs)

(a) Capital	-
(b) Recurring	8.02
(c) Total	8.02
(d) Total R & D Expenditure as a percentage of turnover	0.10%

5. Technology absorption, adoption 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. 1257.14 lacs.

- b. Total foreign exchange used and earned:

(Rs. in lacs)
Year ended

	31.3.1998	31.3.1997
1. Imports - C. I. F. Value Raw Materials Components & Spare Parts and Capital Goods	199.82	454.79
2. Travelling, Subscriptions, Commission, Professional Charges & Testing Fees, etc.	19.49	11.60
3. Dividend Remitted to Non-Resident Shareholders	61.44	87.55
4. Earnings in Foreign Exchange Exports-FOB Value	1257.14	531.69
5. Other income being Service Charges, Recovery of Freight, Marine Insurance	34.56	14.87

On behalf of the Board of Directors

Y. C. Lumba P. U. K. Menon
Executive Director Whole-time Director

Place: Mumbai
Date : 29th June, 1998

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REPORT and ACCOUNTS-1998

AUDITORS' REPORT

TO THE MEMBERS OF

MATHER AND PLATT (INDIA) LIMITED

We have audited the attached Balance Sheet of Mather and Platt (India) Limited as at March 31, 1998 and the Profit and Loss account annexed thereto for the year ended on that date.

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. We further report that:
 - (a) We have obtained, subject to paragraph (e), all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company, so far as it appears from our examination of such books;
 - (c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required;

- (e) Attention is drawn to Note 8 of Schedule K regarding advances of Rs. 43,821,223 to a company with negative networth and a company formed with the purpose of a project which has been kept in abeyance, being accounted for at their gross carrying values as also investments of Rs. 22,700,000 in a company with negative networth being accounted for at the gross carrying value. We are unable to express an opinion regarding the extent of diminution in the values of such advances and investments, which may be required in this regard, as the same is currently not ascertainable.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to paragraph (e) above with a consequential effect on the year's results and reserves as at the year end, give a true and fair view:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1998;
 - (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.

S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

Per Falee H. Billimoria
Partner

Place: Mumbai
Date : 29th June, 1998

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