

Mather & Platt (I) Ltd.





So long, we'll fare well

Mr. M. R. Chhabria
Founder, Jumbo Group
1st March, 1946 - 6th April, 2002

A path lies ahead. And at each corner lies an opportunity.

To accomplish. To make a difference.

The spirit was inspired. And each step forward was in pursuit of the vision.

To achieve. To create success.

The road was winding. The journey long. But the soul never tired.

So . . .

The path ahead. It is filled with conquest.

The spirit is emboldened. And the road's turned to stretches.

Where the journey continues. And the soul remains triumphant.

CHAIRPERSON	MRS. VIDYA M. CHHABRIA
EXECUTIVE DIRECTOR	MR. NIRANJAN THAKUR
DIRECTOR	MS. KOMAL CHHABRIA WAZIR
	MR. SATISH G. PILLAI
	MR. P. M. NENE
	MR. SURESH DADLANI
AUDITORS	M/S. LODHA & COMPANY CHARTERED ACCOUNTANTS
SOLICITORS	M/S. CRAWFORD BAYLEY & CO. M/S. KANGA & CO.
BANKERS	THE UNITED WESTERN BANK LTD. RUPEE CO-OPERATIVE BANK LTD.

CONTENTS**PAGE**

Notice	2
Directors' Report	3
Management Discussion & Analysis	5
Corporate Governance Report	6
Auditors' Report	11
Balance Sheet	14
Profit & Loss Account	15
Schedule 'A to O'	16
Cash Flow Statement	27-28

REGISTERED & CORPORATE OFFICE

Chinchwad Works, Mumbai Pune Road,
Chinchwad(East), Pune – 411 019

REGIONAL OFFICES**MUMBAI**

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

KOLKATA

Nilhat House, 8th Floor, 11 R.N. Mukerjee Road,
Kolkata- 700 001

Wallace House, 4 Bankshall Street, Ground floor,
Kolkata – 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

SECUNDERABAD

Savaria House, 2nd Floor, Plot No.4, Hyderbasti,
R. P. Road, Secunderabad – 500 003

FACTORY**PUNE CHINCHWAD WORKS - I**

Chinchwad Works, Mumbai Pune Road,
Chinchwad (East), Pune - 411 019

Members are requested to bring their copy of the Annual Report 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.

43rd Annual Report 2001-2002**NOTICE**

NOTICE is hereby given that the Forty-third Annual General Meeting of the members of **Mather and Platt (India) Limited** will be held as under:

DAY : Tuesday **VENUE** : Poonam Hotel 629/3, Deccan Gymkhana, Shivaji Nagar, Pune -411 004.

DATE : 24th September, 2002

TIME : 10 A.M.

To transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
- 2 To appoint a Director in place of Mr. Suresh Dadlani who retires by rotation and being eligible, offers himself for re-appointment.
- 3 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.

**By Order of the Board
For Mather & Platt (India) Ltd.**

Satish G. Pillai
Director

Registered Office:
Mather & Platt (India) Limited
Mumbai Pune Road
Chinchwad (East)
Pune 411 019

Dated: 29th June, 2002

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies in order to be effective must be received at the Company's Registered office at Chinchwad works, Mumbai – Pune Road, Chinchwad (E), Pune 411 019, not less than forty eight hours before the meeting.
2. The Register of Members of the Company shall remain closed from 14th September 2002 to 24th September 2002 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company through the Share transfer Agents – M/s. SHAREPRO SERVICES.
4. Members are requested to communicate to M/s. SHAREPRO SERVICES for all matters concerning share transfers at the following address, quoting invariably their folio number in all correspondence:

M/s. Sharepro Services
Unit: Mather & Platt (India) Ltd.
Satam Industrial Estate,
3rd floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai 400 099.

DIRECTORS' REPORT

Your Directors have pleasure in placing the 43rd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2002.

SUMMARISED FINANCIAL RESULTS

	(Rs. In lacs)	
	Year ended 31.3.2002	Year ended 31.3.2001
Profit / (Loss) before Interest and Depreciation	42	(79)
Less: Interest	27	33
: Depreciation	11	12
Profit / (Loss) before Tax	4	(124)
Tax Provision	2	14
Provision for Deferred Tax (credit)	(16)	-
Profit / (Loss) after Tax	18	(138)
Tax Adjustments for the earlier years	(263)	32
Balance brought forward from previous year	-	146
Profit / (Loss) for the year 1999-2000 transferred to MPPL & MPFSL	-	(48)
Transferred from General Reserve	245	8

THE YEAR UNDER REVIEW

The year 2001-02 was a difficult phase for the Company's growth because of unfavorable economic conditions and overall slowdown in all segments of industry putting profitability under pressure. During the year under review, the Company has achieved a turnover of Rs. 528 lacs (previous year Rs. 495 lacs). Due to the slowdown in the textile industry, the business was significantly affected, causing drain on the Company's resources.

Presently, the business of Process Machinery Unit is being carried on by out-sourcing most of the materials on a ready assembly condition from our sub-contractors. Under these circumstances, the Company would identify its surplus assets and explore possibilities for their disposal suitably in due course.

The Company, however is committed to its servicing activities and in fulfilling all its earlier contractual obligations under warranty or otherwise. Towards this, the Company is fully equipped with the required resources to fulfill the warranty or service obligations.

INDUSTRIAL RELATIONS:

The industrial relations continued to be cordial. The Directors place on record their appreciation of the services rendered by employees at all levels.

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 'A' to the Report.

DIRECTORS

The Chairman, Mr. M. R. Chhabria suddenly passed away on 6th April, 2002. Your Directors express their deepest sorrow and heartfelt condolence at the untimely demise. The Directors feel both a profound sense of loss over Chairman's passing and at the same time, gratitude for having known his brilliance, his infectious optimism and energy, and his joy for life's challenges and extend their deepest sympathy to the bereaved family in their hour of grief. In accordance with the provisions of the Articles of Association of the Company, Mrs. Vidya M. Chhabria was appointed as Non-retiring Director and Chairperson on the Board of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Suresh Dadlani, Director retires by rotation and being eligible offers himself for reappointment.

Mr. Dadlani, aged 52 years, is a Bachelor of Engineering (B.E.) with Post Graduate Diploma in Management Studies from Bombay University. He has also attended the highest level, Advanced Management Programme in Harvard Business School, U.S.A.

Mr. Dadlani has nearly 31 years of work experience at various levels. Previously he was President and Chief Operating Officer of Greaves Limited – a Rs. 700 crores turnover Engineering Company manufacturing a variety of industrial products. He has also worked for nearly 12 years in Larsen & Toubro Limited. Presently, he is also Managing Director of Hindustan Dorr-Oliver Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that:

- in the preparation of Annual Accounts, the applicable accounting standards have been followed along and there has been no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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;
- the Directors have, as far as possible, taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing

43rd Annual Report 2001-2002

and detecting fraud and other irregularities, to the best of their knowledge and ability;

- (d) the Directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

The Company did not have any employee falling within the scope of section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company is committed to meet the highest standards of Corporate Governance. Necessary measures are being taken to comply with the Listing Agreement with the Stock Exchanges. A report on the Corporate Governance along with a Certificate of Compliance from the Auditors, given in Annexure 'B' forms a part of this Report

SCHEME OF ARRANGEMENT UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956

The shareholders of the Company have approved the Scheme of Arrangement under section under 391 to 394 read with section 100 of the Companies Act, 1956 for cancellation of shares at the court convened meeting held on 12th January, 2002. Company is awaiting the directions of Hon'ble High Court of Mumbai in this regard.

AUDITORS REPORT

Relevant notes on accounts are self-explanatory and are per Annexure to the Auditors' Report.

AUDITORS

M/s Lodha & Co., Chartered Accountants, retire as Auditor and have expressed their willingness to hold office, if re-appointed.

ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Government, Financial Institutions, Banks, Depositors, Shareholders and Customers for their continued support extended to the Company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

On behalf of the Board of Directors

Satish G. Pillai
Director

Niranjan Thakur
Executive Director

Place: Mumbai
Dated: 29th June, 2002

ANNEXURE " A " TO THE DIRECTORS' REPORT

Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March 2002.

A. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Total foreign exchange used and earned:

	(Rs. In Lacs)	
	Year ended 31.3.2002	Year ended 31.3.2001
1. Expenditure in foreign currency	22.01	39.30
2. Earnings in Foreign Exchange	238.51	201.16
Exports - 'F.O.B.' Value		
3. Other Income towards Freight and Insurance recovered / recoverable	25.02	13.98

MANAGEMENT DISCUSSION & ANALYSIS

Your Company is one of the major player in the Process Machinery manufacturing in India, backed with the solid foundation of technological excellence, your Company produces all types of process machinery for a variety of applications and is successfully catering to the requirements of many food processors and allied process plants in India & abroad.

Business Review:

The year 2001-02 was a difficult phase for the Company's growth because of unfavorable economic conditions and overall slowdown in all segments of industry, putting profitability under pressure. During the year under review, the Company has achieved a turnover of Rs. 528 lacs (previous year Rs. 495 lacs). Due to the slowdown in the textile industry, the business was significantly affected, causing drain on the Company's resources.

The textile and food processing industry, which are the biggest customers of your Company's products and services, witnessed acute slow down, impacting the sales and profitability of your Company.

Presently, the Company has adopted the strategy of out-sourcing most of the materials in a ready assembly condition from its sub-contractors for carrying out the business of design, development, manufacture, installation and servicing of process machinery.

Accordingly, the Company would identify its surplus assets and explore possibilities for disposing them suitably in due course.

The Company, however is committed to its servicing activities and in fulfilling all its earlier contractual obligations under warranty or otherwise. To meet this, the Company is fully equipped with all required resources including the designs and drawings required to fulfill the warranty or service obligations.

Challenges:

Yours Companies strong fundamentals to produce quality process machinery consistently, has brought satisfactory customer base all over and enabled it to post satisfactory performance in the past, despite of competitive conditions. Due

to the slowdown in the textile industry the business was comparatively low.

Outlook:

The sharp downturn in global macroeconomic prospects and the continuing sluggishness in domestic industrial activities have necessitated a revision in the forecast for India's real GDP growth in 2001-02 to 5% to 6%. The downward revision is primarily on account of the outlook for the industrial sector, which grew by barely 2.2 per cent, mainly on account of the slowdown in manufacturing. Capital goods production declined by as much as 6.6 per cent and several sectors recorded a slow down in growth rate or an absolute decline.

Adequacy of Internal Control:

Your Company has proper and adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorised use of Company's resources.

Your Company ensures adherences to all internal control policies and procedures as well as compliances with all regulatory guidelines.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

Human Resource Development:

Your Company considers the quality of its human resources to be its most important assets and constantly endeavours to attract and recruit best possible talent & to retain, nurture & groom it to meet its current & future need. Accordingly the Company has conducted various management workshops for upgrading managerial effectiveness.

Cautionary statement:

Statement in this Management Discussion & Analysis describing the Company's objectives, projections, estimates & expectations may be a 'Forward looking statement' within the meaning of applicable laws & regulations. Actual results might differ materially from those either expressed or implied.

43rd Annual Report 2001-2002

ANNEXURE B - TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1 Company philosophy on Code of Governance:

Your Company believes that good corporate governance contemplates that corporate actions balance the interests of all stakeholders and satisfy the tests of accountability, transparency and fair play.

The Corporate Governance requirements have been incorporated in the Listing Agreement entered into by the Company with the Stock Exchanges. As per Listing Agreement, the mandatory requirements were to be complied by your Company by 31st March 2002.

2 Board of Directors:

The present strength of your Company's Board is six Directors comprising two non-retiring promoter Directors (viz. Mrs. Vidya M. Chhabria, Ms. Komal Chhabria Wazir), three non-executive Directors, all of whom are also independent Directors, (viz. Mr. Satish G. Pillai, Mr. P. M. Nene, Mr. Suresh Dadlani) and one executive Director Mr. Niranjana Thakur. Mrs. Vidya M. Chhabria is the Chairperson of the Board of Directors.

Five Board Meetings were held during the period 1st April, 2001 to 31st March, 2002, on the following dates:
30th April, 2001, 24th July, 2001, 29th October, 2001, 27th November, 2001 and 29th January, 2002.

The attendance at the Board Meetings and at the last AGM and the number of other Directorships and committee memberships of the Directors is given below:

Name of the Director	No. of Board Meetings attended	Attendance at last AGM	Number of Directorships in other Companies	Committee membership
Mr. M. R. Chhabria ¹	2	No	14	N.A.
Mrs. Vidya M. Chhabria ²	N.A.	N.A.	11	Nil
Ms. Komal Chhabria Wazir	5	No	15	10
Mr. Satish G. Pillai	4	Yes	6	8
Mr. P. M. Nene	3	No	14	10
Mr. Niranjana Thakur	3	No	14	10
Mr. Suresh Dadlani	4	Yes	8	10
Mr. R. A. Shah ³	2	N.A.	N.A.	N.A.
Mr. T.S. Shettigar ⁴	1	N.A.	N.A.	N.A.
Mr. Y. C. Lumba ⁵	1	N.A.	N.A.	N.A.

1. Sad demise of Mr. M. R. Chhabria on 6th April, 2002.

2. Mrs. Vidya M. Chhabria was appointed as a non-retiring Director and Chairperson of the Board of Directors on 22nd April, 2002.

3. Mr. R. A. Shah ceased to be Alternate Director to Mr. M. R. Chhabria w.e.f. 29th October, 2001.

4. Mr. T.S. Shettigar resigned as Director w.e.f. 27th November, 2001.

5. Mr. Y. C. Lumba resigned as Director w.e.f. 27th November, 2001.

Number of Directorships in other Companies, excludes alternate Directorships, Directorships held in private limited Companies and in Companies registered under Section 25 of the Companies Act, 1956.

3 Audit Committee:

Your Company has an Audit Committee comprising three non-executive and independent Directors, Mr. Satish G. Pillai, Mr. Suresh Dadlani, and Mr. P. M. Nene. Mr. Satish G. Pillai is the Chairman of the Audit Committee. The members of the committee have financial and accounting knowledge.

During the financial year ended 31st March, 2002, four Audit Committee meeting were held on 30th April, 2001, 24th July, 2001, 29th October, 2001, and 29th January, 2002.

The attendance at the Committee meetings is as under:

Name of the Director	No. of meetings attended
Mr. T. S. Shettigar*	1
Mr. P. M. Nene	2
Mr. Suresh Dadlani	4
Mr. Satish G. Pillai	1

* Mr. T. S. Shettigar resigned as a Director w.e.f. 27th November, 2001

The terms of reference of the Audit Committee include:

- to review the Company's financial reporting process and its financial statements.
- to review the accounting and financial policies and practices.
- to review the efficacy of the internal control mechanism and monitor risk management policies.
- to review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- to recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

4 Remuneration of Directors:

The details of remuneration of the Directors during the year ended 31st March, 2002 are as follows: Amount in Rs.

Name of the Director	Salary & perquisites	Commission	Sitting Fees	Total	Service contract/Notice period
Ms. Komal C. Wazir	Nil	Nil	7500	7500	Non retiring Director
Mr. Satish G. Pillai	Nil	Nil	5000	5000	Retirement by rotation
Mr. P. M. Nene	Nil	Nil	5000	5000	Retirement by rotation
Mr. Suresh Dadlani	Nil	Nil	7500	7500	Retirement by rotation
Mr. Niranjan Thakur	76000	Nil	Nil	76000	Executive Director*
Mr. R.A.Shah	Nil	Nil	2000	2000	N.A.#
Total	76000	Nil	27000	103000	

* Mr. Niranjan Thakur was appointed as Executive Director for a period of five years w.e.f 30th January, 2001.

Mr. R. A. Shah ceased to be Alternate Director to Mr. M. R. Chhabria w.e.f. 29th October, 2001.

The Company does not currently have a stock option plan or performance linked incentive for its Directors.

5 Share Transfer Committee and Shareholders' / Investors' Grievance Committee:

Your Company has a Shareholders' / Investors' Grievance Committee comprising Ms. Komal Chhabria Wazir, Mr. Satish G. Pillai, Mr. Suresh Dadlani. Ms. Komal Chhabria Wazir is the Chairperson of the Committee.

The Committee met 18 times during the year ended 31st March, 2002 for transacting the business relating to transfer / transmission / splitting of shares & issue of new Share certificates etc. and redressal of investors' grievance.

The Board has designated Mr. Ashok Medankar as the compliance officer.

The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended 31st March, 2002 were 202. There were no pending share transfers and complaints as on 31st March, 2002.

6 General Body Meetings:

42nd Annual General Meeting	Hotel Poonam, 629/3 Deccan Gymkhana, Pune 411 004	Saturday, 29th December, 2001 at 10.00 a.m.
41st Annual General Meeting	Hotel Poonam, 629/3 Deccan Gymkhana, Pune 411 004	Saturday, 16th September, 2000, at 12.00 Noon
40th Annual General Meeting	Hotel Poonam, 629/3 Deccan Gymkhana, Pune 411 004	Saturday, 18th September, 1999 at 12.00 Noon

No special resolutions were put through postal ballot last year and nor is any resolution proposed for this year through postal ballot.

7 Disclosures:

There were no transactions of material nature between the Company and its Directors or Management and their relatives or promoters that may have a potential conflict with the interests of the Company.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence the question of penalties or strictures being imposed on the Company by the Stock Exchanges or Securities & Exchange Board of India or any statutory authority, does not arise.

43rd Annual Report 2001-2002**8 Means of Communication:**

The annual, half-yearly and quarterly results are regularly posted by the Company on its website <http://www.matherplatt.com> which also displays official news releases. These are submitted to the Stock Exchanges in accordance with the Listing Agreements and are normally published in the newspapers viz., The Indian Express and Loksatta.

9. The Management Discussion and Analysis report forms part of the Directors' Report.**10. General Shareholders' Information:****a) Annual General Meeting**

Date and time : 24th September, 2002 at 10 a.m.

b) Financial Calendar (tentative)

1st April to 31st March every year.

First Quarter : Fourth week of July, 2002

Second Quarter / Half year : Fourth week of October, 2002

Third Quarter : Fourth week of January, 2003

Audited results : Fourth week of June, 2003

c) Dates of Book Closure

: 14th September, 2002 to 24th September, 2002

**d) Stock Exchange where listed:
and stock code**

1) The Stock Exchange, Mumbai (500450)

2) The Calcutta Stock Exchange and Association Ltd

3) The Pune Stock Exchange (MATPL-5331)

e) ISIN No.

INE844C01027

The Listing fees for the year 2001-2002 have been paid to all Stock Exchanges.

f) Market Price Data:

Month	The Stock Exchange, Mumbai*		
	High (Rs.)	Low (Rs.)	Monthly volume
April, 2001	10.25	7.00	6900
May, 2001	9.00	6.15	379900
June, 2001	10.35	7.15	23138
July, 2001	8.00	6.05	9915
August, 2001	7.90	5.75	22274
September, 2001	8.35	6.10	14006

Note : Trading in the shares has been suspended by the stock exchanges, pending the allotment of shares to the Members of the Company consequent to the Scheme of Arrangement as approved by the Hon'ble High Court of Mumbai on 30th July, 2001

* Source Daily stock prices from BSE official website.

g) Stock performance in comparison to Broad- based indices such as BSE Sensex.