



Mather+Platt

MATHER AND PLATT FIRE SYSTEMS LIMITED

Annual Report 2009

MATHER AND PLATT FIRE SYSTEMS LIMITED

Board of Directors

Chairman	Dr. Holger Krasmann
	Mr. Gilbert Faul
	Mr. Otto Northe
	Mr. Prakash Nene
	Mr. Kiran Malhotra
	Mr. Bomi Daruwala
	Mr. Ravindra Pal Bhatia

Company Secretary Ms. Manisha Chavan

Auditors M/s. B S R and Co.,
Chartered Accountants

Bankers HSBC

**Registered &
Corporate Office** Mumbai-Pune Road,
Chinchwad, Pune: 411019 (India)

Share Transfer Agent Sharepro Services (I) Pvt. Ltd.
13 A-B, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka,
Mumbai - 400072, India.

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NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of Mather and Platt Fire Systems Limited will be held on Saturday, 24 April 2010 at 11.15 a.m. at Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 December 2009 and the Profit and Loss Account for the financial year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kiran Malhotra, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Mr. Bomi Daruwala, who retires by rotation and being eligible, offers him for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Gilbert Faul, who pursuant to Section 260 of the Companies Act, 1956 and Article 113 of the Articles of Association of the Company was appointed as an Additional Director of the Company with effect from 27 February 2010 and holds office upto the date of the 17th Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a director liable to retire by rotation, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Dr. Holger Krasmann, who pursuant to Section 260 of the Companies Act, 1956 and Article 113 of the Articles of Association of the Company was appointed as an Additional Director of the Company with effect from 27 February 2010 and holds office upto the date of the 17th Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a director liable to retire by rotation, be and is hereby appointed as a Director of the

Company liable to retire by rotation.”

By the Order of the Board of Directors

For Mather and Platt Fire Systems Limited

Manisha Chavan

Company Secretary

Place : Pune

Date : 27 February 2010

NOTES:

1. The Register of Members/Beneficial Owners and the Share Transfer Registers of the Company will remain closed from Tuesday, 20 April 2010 to Saturday, 24 April 2010 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER SELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
3. Information on Directors retiring by rotation and seeking appointment / re-appointment is given in Annexure I hereto.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of items of Special Business is given in Annexure II hereto.
5. Members are requested to notify change of address, if any, (a) to their respective Depository Participant in case of shares held in electronic form and (b) to the Registrar & Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., at 13 A-B, Samhita Warehousing Complex, 2nd floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Mumbai - 400 072, in case of shares held in physical form.
6. Members desirous of obtaining any information pertaining to the Accounts may forward such queries in writing to the Finance & Accounts Department at the Registered Office at least 7 days prior to the meeting in order to enable the Company to keep the information ready to the extent possible.
7. Members or their Authorised Representatives/ Proxies are requested to bring their copies of Annual Report at the meeting.
8. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate to the Company's Registrar & Transfer Agent, the ledger folios of such accounts, for consolidation of all such shareholdings into one account.
9. Members intending to dematerialise their shareholdings may approach any Depository Participant for opening a Beneficiary Demat Account. For any additional information/ clarification, members may contact National Securities Depositories Ltd. or Central Depository Services (India) Ltd.

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ANNEXURE I TO THE NOTICE

Name	Mr. Kiran Malhotra	Mr. Bomi Daruwala	Dr. Holger Krasmann	Mr. Gilbert Faul
Date of Birth	14.11.1945	19.03.1964	15.09.1961	02.05.1967
Age (Years)	64	45	48	43
Qualifications and experience	Mechanical Engineer with 34 years experience in the field of marketing and management in reputed companies. He is also a Managing Director of Hoerbiger India Pvt. Ltd.	Commerce & law graduate and a Chartered Accountant as well as Cost Accountant with 22 years experience in the legal field, especially advisory in the matters of joint ventures, technology transfers, mergers and acquisitions, project finance and real estate etc. He is associated as partner with M/s. Vaish Associates, corporate tax and business advisory law firm.	Mechanical Engineer having a doctorate from Braunschweig Technical University and a wealth of experience in technical and management roles. He has a 14 years of experience in Pump Industry at various positions. He has also worked for 6 years at Fluid Mechanics Research Institute. He is also a member of Management Board of WIL0 SE, Germany	Engineer ENSTA-Paris with an experience of 20 years at various capacities in the field of manufacturing and management. He is also responsible for Asia Pacific business of WIL0 SE
Directorships held in other companies (excluding foreign companies)	Mather and Platt Pumps Ltd., Hoerbiger India Pvt. Ltd., Hoerbiger Drive Technology India Pvt. Ltd.	Mather and Platt Pumps Ltd. Liquid Controls India Pvt. Ltd.	Mather and Platt Pumps Ltd	Mather and Platt Pumps Ltd. Allied Centrifugal Pumps pvt. Ltd.
Memberships / Chairmanships of Committees in the Company*	Member of Audit Committee	Alternate Chairman of Audit Committee	NIL	NIL
Memberships / Chairmanships of Committees in other companies (excluding foreign companies) +	Member of Audit Committee, Member of Remuneration Committee and Chairman of Shareholders and Investors Grievance Committee – Mather and Platt Pumps Ltd.	Alternate Chairman of Audit Committee, Member of Shareholders & Investors Grievance Committee, Member of Remuneration Committee – Mather and Platt Pumps Ltd.	Member of Audit Committee- Mather and Platt Pumps Ltd.	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL

ANNEXURE II TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB-SECTION (2) OF THE SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5

Pursuant to Section 260 of the Companies Act, 1956 and Article 113 of the Articles of Association of the Company Mr. Gilbert Faul has been appointed as additional director with effect from 27 February 2010 and holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing candidature of Mr. Gilbert Faul for appointment as director liable to retire by rotation. The brief resume of Mr. Gilbert Faul is given in Annexure I to the notice.

The Board of Directors is of the opinion that the association of Mr. Gilbert Faul will be beneficial to the Company and recommends his appointment as director liable to retire by rotation.

Mr. Gilbert Faul may be considered as interested in the passing of this resolution. No other Directors are concerned or interested in this resolution

ITEM NO. 6

Pursuant to Section 260 of the Companies Act, 1956 and Article

113 of the Articles of Association of the Company Dr. Holger Krasmann has been appointed as additional director with effect from 27 February 2010 and holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing candidature of Dr. Holger Krasmann for appointment as director liable to retire by rotation. The brief resume of Dr. Holger Krasmann is given in Annexure I to the notice.

The Board of Directors is of the opinion that the association of Dr. Holger Krasmann will be beneficial to the Company and recommends his appointment as director liable to retire by rotation.

Dr. Holger Krasmann may be considered as interested in the passing of this resolution. No other Directors are concerned or interested in this resolution

By Order of the Board of Directors.
For **Mather and Platt Fire Systems Limited**

Place : Pune
Date: 27 February 2010

Manisha Chavan
Company Secretary

DIRECTORS' REPORT

Dear members,

Your directors are pleased to present the 17th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31 December 2009.

Summarised Financial Results

	(Million INR)	
	Year ended	
	31st Dec. 2009	31 st Dec. 2008
Sales & Services (Net)	0	4.53
Other Income	6.59	6.70
Profit / (Loss) before Interest, Depreciation and Tax	(2.24)	4.20
Less: Interest	0.47	0.34
Depreciation	0	-
Profit before Tax	(2.71)	3.86
Provision for Income Tax: Tax expense	0	0.38
Excess provision of income tax for earlier years written back	5.67	0.0
Profit after Tax	2.96	3.48
Balance Profit / (Loss) brought forward from previous year	(74.40)	(77.88)
Balance in Profit & Loss Account	(71.44)	(74.40)
Net Accumulated Loss carried to Balance Sheet	(71.44)	(74.40)

Review of Operations

As in the previous year, the activities of the Company have been restricted merely to completing the existing projects and recovery of dues. The Company has implemented the Scheme of Arrangement as approved by the Hon'ble High Court, Bombay vide its order dated 30 April 2007. The Second installment of the Scheme was disbursed by the Company during the year.

Dividend

In view of the accumulated losses your directors do not recommend any dividend.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Kiran Malhotra and Mr. Bomi Daruwala retire by rotation and being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting.

Dr. Holger Krasmann and Mr. Gilbert Faul has been appointed as additional director with effect from 27 February 2010 and holds office upto the conclusion of the

17th Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a member proposing candidature of Mr. Gilbert Faul and Dr. Holger Krasmann for appointment as director liable to retire by rotation. The Board recommends their appointment.

During the year ended 31 December 2009, Mr. Peter Wurzbacher resigned from the Directorship of the Company with effect from 30 September 2009 and Mr. Otto Northe, resigned from the Directorship of the Company with effect from 27 February 2010.

Particulars of Employees

During the year under review the Company did not have any employee falling within the purview of Section 217(2AA) of the Companies Act, 1956.

Directors' Responsibility Statement

In pursuance of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to 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 ended 31 December 2009 and of the profit of the Company for that financial year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts on a going concern basis.

Conservation of Energy, Research and Development, Technology Absorption etc.

Since the activities of the Company have been restricted merely to completing the existing projects and recovery of dues, there is nothing significant to be mentioned under this head.

There is no foreign exchange earning or outgo during the financial year under review.

Corporate Governance

The report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto as Annexure A

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Management Discussion and Analysis Report

The report on Management Discussion and Analysis pursuant to Clause 49 of the Listing Agreement is annexed hereto as Annexure B.

Auditors

M/s. B S R and Co, Chartered Accountants, auditors of the Company will retire at the conclusion of the ensuing annual general meeting. The Company has received a certificate from the auditors to the effect that their re-appointment if made, by the Company at the ensuing Annual General Meeting would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends their re-appointment

The information and explanation with respect to the remarks in audit report is given hereunder.

Para 10 of the Annexure to the Audit Report;

The accumulated losses of the Company have exceeded its net worth. However the management is taking effective steps to ensure execution of existing contracts in hand, reduce costs and recover dues. The Company has entered into a Scheme of Arrangement with its unsecured creditors under section 391 to 394 of the Companies Act, 1956. The

Scheme was approved by the Hon'ble Court, Bombay vide its order dated 30 April 2007 and the Company has implemented the same.

Listing

The equity shares of the Company are listed at Bombay Stock Exchange Limited and Pune Stock Exchange Limited. Listing fees for the year 2009-2010 have been paid to both the Stock Exchanges.

Acknowledgement

Your Directors convey their sincere gratitude to the customers, shareholders, creditors, government and statutory authorities, banks and employees for the continued support to the Company.

For and on behalf of the Board of Directors

Ravindra Pal Bhatia
Director

Place : Pune
Date : 27 February 2010

**ANNEXURE A TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**
1. Company Philosophy on Corporate Governance:

Corporate Governance relates to systems and processes that directs corporate resources and management strategies towards maximizing value for stakeholders while ensuring accountability, probity and openness in the conduct of business within the acceptable legal and ethical framework. A good governance process should thus provide sufficient transparency over corporate policies, strategies and decision making process while strengthening internal control system and building relationship with all the stakeholders, including employees and shareholders. The adherence to good governance practices in true spirit, not just in letter, will help align interest of stakeholders and enhance investor confidence.

2. Board of Directors:

The Board of Directors of your Company consists of six Directors. The composition of the Board of Directors and the number of other Directorships and Committee Memberships / Chairmanships of the Directors are given below:

Name of the Director	Category	Number of other Directorships +	Number of other Committee Memberships / +Chairmanships ++
Mr. Peter Wurzbacher, Chairman ¹	PD	1	0/0
Mr. Otto Northe ²	PD	1	0/0
Mr. Gilbert Faul ³	PD	1	0/0
Dr. Holger Krasmann ⁴	PD	1	1/0
Mr. Ravindra Pal Bhatia	OD	1	1/0
Mr. Prakash Nene	ID	2	1/1
Mr. Kiran Malhotra	ID	1	2/1
Mr. Bomi Daruwala	ID	1	3/0

PD – Non-Executive Promoter Director, ID – Non-Executive Independent Director, OD – Other Non-Executive Director

1 - Resigned w.e.f. 30 September 2009 2 - Resigned w.e.f. 27 February 2010 3 - Additional Director w.e.f. 27 February 2010 4 - Additional Director w.e.f. 27 February 2010

+ As on 31 December 2009/ date of resignation, excluding directorships / committee positions held in private companies, foreign companies / bodies corporate.

++ As on 31 December 2009/ date of resignation, committee includes Audit Committee and Shareholders'/Investors' Grievance Committee of public limited companies only, excluding committee positions held in private companies, foreign companies / bodies corporate.

None of the Director is relative of any other Director.

During the financial year ended 31 December 2009, four Board Meetings were held on 24 February 2009, 25 April 2009, 22 July 2009 and 24 October 2009. The attendance of the Directors at the Board Meetings and at the last Annual General Meeting are as follows:

Name of Director	Attendance at Last Annual General Meeting held on 25.04.2009	Number of Board Meetings attended during 01.01.2009 to 31.12.2009
Mr. Peter Wurzbacher	Yes	3
Mr. Otto Northe	No	1
Mr. P. M. Nene	Yes	2
Mr. Kiran Malhotra	Yes	4
Mr. Bomi Daruwala	Yes	3
Mr. Ravindra Pal Bhatia	Yes	4
Mr. Gilbert Faul*	Not Applicable	0
Dr. Holger Krasmann*	Not Applicable	0

* Appointed w.e.f. 27 February 2010

3. Audit Committee:

Audit Committee consisted of Mr. P. M. Nene, as Chairman, Mr. Bomi Daruwala as Alternate Chairman and Mr. Otto Northe, Mr. Kiran Malhotra as members. Mr. Otto Northe ceased to be a member of the committee w.e.f. 27 February 2010 due to his resignation from the Directorship of the Company. During the financial year ended 31 December 2009, the Audit Committee met four times on 24 February 2009, 25 April 2009, 22 July 2009 and 24 October 2009. The particulars of attendance at the Audit Committee meetings are as under:

Name of the Director	No. of meetings attended
Mr. Prakash Nene	2
Mr. Kiran Malhotra	4
Mr. Bomi Daruwala	3
Mr. Otto Northe	1

The terms of reference of the Audit Committee cover the areas mentioned in the Listing Agreement, the Companies Act, 1956 and also other terms as may be referred to it by the Board of Directors. The role of the Committee includes, inter alia, reviewing financial statements, internal control systems, reports of the auditors, etc.

The Company Secretary of the Company acts as Secretary of the Committee. The representatives of the Internal Auditors and Statutory Auditors attended the meetings of the Committee.

4. Directors' Remuneration:

The Company has not paid any sitting fees or other remuneration in any form whatsoever to any of its Directors. None of the Directors have been granted or entitled to any stock option.

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5. Shareholders' / Investors' Grievance Committee:

The Shareholders' / Investors' Grievance Committee comprises of the following members of the Board:

- (a) Mr. Ravindra Pal Bhatia, Chairman
- (b) Mr. Otto Northe, Member (resigned w.e.f. 27 February 2010)
- (c) Mr. P. M. Nene, Member

During the financial year ended 31 December 2009 the Committee met four times on 24 February 2009, 25 April 2009, 11 August 2009 and 13 November 2009 to consider inter-alia the matters relating to transfer / transmission / splitting of shares and issue of new Share certificates etc. and shareholders' / investors' grievances. The Company Secretary of the Company acts as a Secretary of the Committee.

Name of the Director	No. of meetings attended
Mr. Ravindra Pal Bhatia	4
Mr. P. M. Nene	3
Mr. Otto Northe	2

During the financial year ended 31 December 2009, 24 investor complaints were received and resolved. There was no pending investor complaint as on 31 December 2009.

6. General Body Meetings:

Details of last three Annual General Meetings held

Meeting	Venue of the meeting	Date and Time
16 th Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411 034	Saturday, 25 April 2009 at 11.15 a.m.
15 th Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411 034	Saturday, 26 April 2008 at 11.00 a.m.
14 th Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411 034	Wednesday, 13 June 2007 at 12.00 noon

Special Resolutions passed in last three Annual General Meetings

Meeting	Subject matter of Special Resolution
16 th Annual General Meeting	No Special Resolution was passed
15 th Annual General Meeting	No Special Resolution was passed
14 th Annual General Meeting	No Special Resolution was passed

No Special Resolution was put through postal ballot last year nor is any resolution now proposed through postal ballot.

7. Disclosures:

- a) During the financial year ended on 31 December 2009, there was no materially significant related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in the Notes to Accounts annexed to and forming part of Annual Financial Statements.
- b) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years ended on 31 December 2009 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.
- c) The Company has complied with the Clause 49 of the Listing Agreement with Stock Exchanges on Corporate Governance.
- d) None of the Directors of the Company is holding any share in the Company.

8. Means of Communication:

The quarterly, half-yearly and annual financial results are regularly submitted by the Company to the Bombay Stock Exchange Ltd. and Pune Stock Exchange Ltd. and are also published in the newspapers, viz., Financial Express and Punya Nagri, in accordance with the provisions of the Listing Agreement. The said financial results and official news release are displayed by the Bombay Stock Exchange Limited on its website viz. www.bseindia.com

9. General Shareholders' Information:

a) Annual General Meeting

Date and time : Saturday, 24 April 2010 at 11.15 a.m.
 Venue : Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune-411 034.

b) Financial Calendar (tentative)

1 January to 31 December 2010
 First Quarter Results : Fourth week of April, 2010
 Second Quarter / Half year Results : Fourth week of July, 2010
 Third Quarter Results : Fourth week of October, 2010
 Last Quarter / Annual Results : Fourth week of February, 2011

- c) **Dates of Book Closure** Tuesday, 20 April 2010 to Saturday, 25 April 2010 (both days inclusive)

- d) **Equity Shares listed on** Bombay Stock Exchange Ltd. (Code: 532470)
Pune Stock Exchange Ltd. (Code: MATPF-660286)
The Listing fees for the year 2009-10 have been paid to both the stock exchanges.

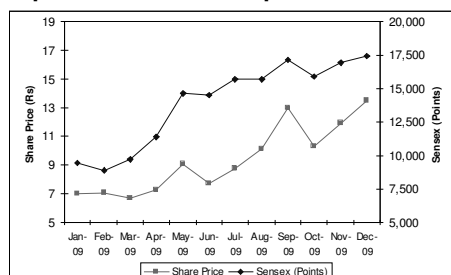
- e) **ISIN No.** INE095E01014

- f) **Market Price Data for the year ended on 31 December 2009:**

Bombay Stock Exchange Limited

Month	Open (INR)	High (INR)	Low (INR)	Close (INR)	No. of Shares	No. of Trades	Net Turnover (INR)
January 09	7.79	8.99	7.02	7.02	4014	24	32,857.00
February 09	7.37	7.43	6.58	7.08	4964	30	34,812.00
March 09	7.40	7.42	6.41	6.68	5615	34	38,639.00
April 09	6.50	7.72	6.50	7.30	953	23	6,908.00
May 09	7.66	9.70	7.59	9.10	9856	87	84,868.00
June 09	9.00	10.10	7.73	7.75	6268	55	59,460.00
July 09	8.13	9.18	7.45	8.75	8320	53	70,946.00
August 09	8.47	10.98	8.30	10.10	31167	128	306,155.00
September 09	9.71	13.60	9.71	13.00	34520	168	411,102.00
October 09	12.60	12.86	10.30	10.31	19664	87	230,571.00
November 09	10.82	13.00	10.00	11.93	12331	109	139,583.00
December 09	11.35	13.48	10.91	13.48	18873	151	235,540.00

- g) **Stock performance in comparison to BSE Sensex.**



- h) **Registrar and Share Transfer Agent:**

M/s. Sharepro Services (India) Pvt. Ltd.

Unit : Mather and Platt Fire Systems Ltd.
13 A-B, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Mumbai 400 072.
Tel.: +91 22 6772 0300/ 67720400, Fax.: +91 22 28591568 / 285028927

- i) **Share Transfer System**

Application for transfer of shares held in physical form is received at the office of the Registrar and Share

Transfer Agent of the Company. Applications which are in order are processed and share certificates are dispatched within the time prescribed under the Listing Agreement/SEBI Guidelines.

Shares held in dematerialised form are electronically traded in the Depositories and the Registrar and Share Transfer Agent of the Company periodically receives from the Depositories the beneficiary holdings so as to enable them to update their records and to send all corporate communications to the shareholders.

- j) **Shareholding Pattern as on 31 December 2009**

Sr. No.	Category of Shareholder	No. of Share-holders	No. of Shares	% to Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group			
(A1)	Indian	0	0	0.00
(A2)	Foreign: Bodies Corporate	1	1887697	55.48
(A)	Total Shareholding of Promoter and Promoter Group (A)=(A1)+(A2)	1	1887697	55.48
(B)	Public shareholding			
(B1)	Institutions			
(a)	Mutual Funds/ UTI	2	218	0.01
(b)	Financial Institutions / Banks	21	980	0.03
(c)	Central Government/ State Government(s)	0	0	0.00
(d)	Venture Capital Funds	0	0	0.00
(e)	Insurance Companies	2	29663	0.87
(f)	Foreign Institutional Investors	1	67	0.00
(g)	Foreign Venture Capital Investors	0	0	0.00
(h)	Any Other (specify)	0	0	0.00
	Sub-Total (B1)	26	30928	0.91
(B2)	Non-institutions			
(a)	Bodies Corporate	209	102668	3.02
(b)	Individuals:			
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	26746	1137942	33.44
	Individual shareholders holding nominal share capital in excess of INR 1 lakh.	10	243412	7.15
	Sub-Total (B2)	26965	1484022	43.61
(B)	Total Public Shareholding (B)=(B1)+(B2)	26991	1514950	44.52
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	26992	3402647	100.00

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k) Distribution of Shareholding as on 31 December 2009:

Share held	No. of Shareholders	% age of Total No. of Shareholders	No. of Shares	% age of Total No. of Shares
Less than - 500	26774	99.19	877901	25.80
501 to 1000	117	0.43	93787	2.76
1001 to 2000	47	0.17	68295	2.01
2001 to 3000	17	0.06	43116	1.27
3001 to 4000	5	0.02	17504	0.51
4001 to 5000	5	0.02	23472	0.69
5001 to 10000	13	0.05	86802	2.55
10001 & above	14	0.06	2191770	64.41
Total	26992	100.00	3402647	100.00

l) Dematerialisation of shares and liquidity

Approximately 82.65% of the total number of Equity Shares in the Company were held in dematerialised form as on 31 December 2009.

m) Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.

n) Address of the Registered Office:

Mumbai-Pune Road, Chinchwad, Pune 411 019.

Address for Correspondence: Any correspondence by the Shareholders / Investors may be addressed to the Company's Registrar and Share Transfer Agent at the address given in (h) above.

The Shareholders / Investors may also address their correspondence to the Secretarial Department of the Company at the Registered Office or e-mail at comp_secr@pun.matherplatt.co.in

Declaration:

All the Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct for the year ended 31 December 2009.

Place : Pune
Date : 15 February 2010

Ravindra Pal Bhatia
Director

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of Listing agreement

To the Members of

Mather and Platt Fire Systems Limited

We have examined the compliance of conditions of Corporate Governance by Mather and Platt Fire Systems Limited ('the Company') for the year ended on 31 December 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited, Mumbai and Pune Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company during the year for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the information and explanations given to us, we certify that the Company is in compliance with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B S R and Co.
Chartered Accountants

Vijay Mathur
Partner

Place : Pune

Date : 27 February 2010 Membership Number: 046476

ANNEXURE B TO THE DIRECTORS' REPORT

Management Discussion and Analysis

Industry Structure and Development

The overall industrial production scenario in the country is positive and encouraging. With the growth of the Indian industry, the total market of the fire protection industry is improving. The cumulative growth in index of industrial production for the period April – December 2009-10 stood around 8.6% over the corresponding period of 2008-09. The cumulative growth during April-December 2009-10 over the corresponding period of previous year for the manufacturing sector stood around 9%.

Fire Protection Systems - Industry Scenario

The industrial growth, infrastructure development, increasing townships, changing lifestyle of the society, mall culture, faster urban development contributes to increasing demand for fire detection and protection systems. The total market of the fire protection industry has shown positive development.

Opportunities and threats

The Company is well known for its fire protection systems in the Indian market. Strengths of the Company like, technical knowledge bank, experience and expertise in manufacturing reliable fire detection and protection systems. The Company is facing the competition from few major players from international as well as domestic market

Apart from competition the major threat / concern is that the downturn in business activities of the Company in last few years, rising material and energy prices, transportation costs, quantum and manner of duty levied on Company's products has resulted in the severe liquidity crises. The net worth of the Company has been completely eroded and it is saddled with heavy debts.

Financial Performance

During the year under review, there was no sales.(previous year INR 4.53 Million). The Profit before Interest, Depreciation and Tax for the year under review amounted to INR 2.24 Million (previous year INR 4.20 Million) and the Net Profit after Tax amounted to INR 2.96 Million (previous year INR 3.48 Million).

Outlook:

The industry is expecting a growth and opportunities in fire detection and protection systems with a growth in power plants, petrochemicals, refineries and other process industry. With the increase in demand for the fire detection and protection systems the Company is focusing on expanding its customer base and is in the process of consolidating its financial position and sorting out the liquidity crises.

The Company has implemented the Scheme of Arrangement with its unsecured creditors as approved by the Hon'ble High Court, Bombay vide its Order dated 30 April 2007. The Company has disbursed the second installment due to unsecured creditors as per the Scheme during the year. The outlook for the year ahead is very challenging in the background of economic and industrial scenario.

Risks and concerns:

The downturn in business activities of the Company in last few years have resulted in the severe liquidity crisis and poor financial position. The Company has accumulated loss of around INR 71.44 Million.

Factors such as spiraling energy prices, higher inflationary pressures, revenue slippages leading to larger fiscal deficit, political uncertainties, etc could change the business environment. Timely execution of projects would be a quintessential feature for success.

Internal Control System & its adequacy

All projects and related orders for equipment have been completed with highest degree of quality and efficiency. Costs are being regularly controlled and monitored to achieve or better the estimated margin.

The Company has in place adequate system of internal control procedures covering all financial and operating functions. Internal control and its effectiveness is reviewed through the process of internal audit. The Audit Committee of the Directors also monitors the adequacy of the internal control systems through regular review of findings of internal audit and implementation of the recommendations thereof.

Human Resources:

There is nothing significant to be mentioned under this head as there are no employees under direct employment of the Company.

Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be a forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

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CERTIFICATE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

The Board of Directors
Mather and Platt Fire Systems Limited
Mumbai-Pune Road,
Chinchwad, Pune – 411019.

Dear Sirs,

In pursuance of Clause 49 of the Listing Agreement with the stock exchanges it is hereby certified that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31 December 2009 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 December 2009, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee:
- (i) significant changes in internal control over financial reporting during the year ended 31 December 2009;

(ii) significant changes in accounting policies during the year ended 31 December 2009 and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you.

Yours truly,

For **Mather and Platt Fire Systems Limited**

Ravindra Pal Bhatia
Director

Shailendra Jha
Chief Financial Officer

Date : 27 February 2010

Place : Pune

Auditors' Report

To the Members of

Mather and Platt Fire Systems Limited

We have audited the attached Balance Sheet of Mather and Platt Fire Systems Limited ('the Company') as at 31 December 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred in paragraph 1 above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable;
- (e) on the basis of written representations received from the directors as at 31 December 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as at 31 December 2009 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act; and
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BSR and Co.**
Chartered Accountants

Place : Pune
Date : 27 February 2010

Vijay Mathur
Partner
Membership No.: 046476

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Annexure to the Auditors' Report

[Referred to in paragraph 1 of the Auditors' Report to the Members of Mather and Platt Fire Systems Limited ('the Company') on the financial statements for the year ended 31 December 2009]

We report as follows:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the Company has disposed off a major part of its fixed assets on account of fully depreciated assets being written off. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.
2. (a) The inventory in possession during the year comprised of stock lying with third parties, therefore no physical verification was carried out.
(b) The Company does not hold any physical inventories at the year end hence paragraph 4(ii) of the Order is not applicable.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the actual stocks and the book records have been dealt with in the books of accounts.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories. There has been no purchase of fixed assets and sales or services rendered during the year. We have not observed any major weakness in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Act. Accordingly, paragraph 5(b) of the Order is not applicable.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act, for any of the products manufactured/services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Sales Tax, Provident Fund, Employees' State Insurance, Investor Education and Protection Fund and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. There were no dues on account of Cess under Section 441A of the Act, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Excise Duty, Service Tax, Sales Tax, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 December 2009 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax and Excise Duty which has not been deposited with the appropriate authorities on account of disputes other than those mentioned below.

Name of the statute	Nature of the dues	Amount (Rs' 000)	Period to which the amount relates	Forum where the dispute is pending
Works Contract Tax under Kerala General Sales tax Act, 1963	Differential rate of tax	2,768	1987-1988 to 1993-1994	Commercial Tax Officer, Ernakulam
Works Contract Tax under Kerala General Sales tax Act	Differential rate of tax	34	1997-1998	Commercial Tax Officer, Ernakulam
Works Contract Tax under Kerala General Sales tax Act	Differential rate of tax	74	1998-1999	Commercial Tax Officer, Ernakulam
Central Sales Tax, 1956	Non submission of E-1 Form	500	1998-1999 to 2002-2003	Commercial Tax Officer, Kolkata
West Bengal Sales Tax Act, 1994	Non submission of E-1 Form	125	1998-1999 to 2002-2003	Commercial Tax Officer, Kolkata
Works Contract Tax under U P Trade Tax Act, 1948	Chargeable of State sales tax	6,581	1987-1988 to 1997-1998	Deputy Commissioner UP Trade Tax Tribunal, Lucknow
The Employee's State Insurance Act, 1948	Branch considered as Commercial establishment	120	-	E. S. I. Corporation, Kolkata

10. *The accumulated losses of the Company have exceeded 50% of its net worth at the end of the financial year. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.*
11. The Company did not have any outstanding dues to any financial institution, banks or debenture-holders during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R and Co.
Chartered Accountants

Place : Pune
Date : 27 February 2010

Vijay Mathur
Partner
Membership No.: 046476

ANNUAL REPORT 2009

Balance Sheet

as at 31 December 2009

(Currency - Indian Rupees)

	Schedule	2009	2008
SOURCES OF FUNDS			
Shareholders' funds :			
Share capital	3	34,026,470	34,026,470
		<u>34,026,470</u>	<u>34,026,470</u>
APPLICATION OF FUNDS			
Fixed assets :			
Gross block	4	228,162	428,711
Less: Accumulated depreciation		(227,262)	(427,811)
Net block		<u>900</u>	<u>900</u>
Investments	5	21,100	21,100
Current assets, loans and advances:			
Inventories	6	-	360,724
Sundry debtors	7	465,190	6,223,587
Cash and bank balances	8	515,499	4,112,353
Loans and advances	9	582,132	1,256,120
		<u>1,562,821</u>	<u>11,952,784</u>
Less: Current liabilities and provisions:			
Current liabilities	10	38,995,467	46,676,970
Provisions	11	-	5,674,168
		<u>38,995,467</u>	<u>52,351,138</u>
Net current liabilities		(37,432,646)	(40,398,354)
Profit and Loss Account balance		<u>71,437,116</u>	<u>74,402,824</u>
		<u>34,026,470</u>	<u>34,026,470</u>
Significant accounting policies	2		
Notes to financial statements	16 - 25		

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of Mather and Platt Fire Systems Limited

For B S R and Co.

Chartered Accountants

Vijay Mathur

Partner

Membership No. 046476

Otto Northe
Director

Ravindra Pal Bhatia
Director

Manisha Chavan
Company Secretary

Place : Pune

Date : 27 February 2010

Place : Pune

Date : 27 February 2010

Profit and Loss Account

for the year ended 31 December 2009

(Currency - Indian Rupees)

	Schedule	2009	2008
Income			
Sales		-	4,483,704
Less: Excise duty		-	-
		<hr/>	<hr/>
Net Sales		-	4,483,704
Service charges		-	42,232
		<hr/>	<hr/>
Sales and services (net)		-	4,525,936
Other income	12	6,595,388	6,695,598
		<hr/>	<hr/>
		6,595,388	11,221,534
		<hr/>	<hr/>
Expenditure			
Materials consumed	13	686,015	2,480,513
Operating expenses	14	8,150,148	4,546,005
Interest and finance charges	15	467,685	342,481
		<hr/>	<hr/>
		9,303,848	7,368,999
		<hr/>	<hr/>
(Loss) / profit before tax		(2,708,460)	3,852,535
Provision for tax			
- Current tax		-	374,168
- Fringe benefit tax		-	2,000
- Excess provision of income tax with respect to earlier years written back		5,674,168	-
		<hr/>	<hr/>
Profit after tax		2,965,708	3,476,367
Balance in profit and loss account brought forward		(74,402,824)	(77,879,191)
		<hr/>	<hr/>
Balance in profit and loss account carried forward		(71,437,116)	(74,402,824)
		<hr/>	<hr/>
Basic and diluted earnings per equity share of face value of Rs.10 each	16	0.87	1.02

Significant accounting policies

2

Notes on financial statements

16 - 25

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For and on behalf of Mather and Platt Fire Systems Limited
For B S R and Co.
Chartered Accountants
Vijay Mathur
Partner

Membership No. 046476

Otto Northe
Director
Ravindra Pal Bhatia
Director
Manisha Chavan
Company Secretary

Place : Pune

Date : 27 February 2010

Place : Pune

Date : 27 February 2010

ANNUAL REPORT 2009

Cash Flow Statement

for the year ended 31 December 2009

(Currency - Indian Rupees)

	2009	2008
A. Cash flow from operating activities		
(Loss) / profit before tax	(2,708,460)	3,852,535
Adjustments for :		
Interest income	(166,691)	(135,525)
Dividend income	(931)	-
Interest and finance expenses	467,685	342,481
Operating loss before working capital changes	(2,408,397)	4,059,491
Adjustments for :		
Decrease in inventories	360,724	1,643,775
Decrease / (increase) in trade and other receivables	6,719,162	(1,321,626)
(Decrease) in trade payables	(7,681,503)	(5,768,377)
Cash used in operations	(3,010,014)	(1,386,737)
Income tax refunds / (paid)	53,975	(2,000)
Net cash used in operating activities	(2,956,039)	(1,388,737)
B. Cash flow from investing activities		
Fixed deposit matured / (placed)	2,900,000	(2,000,000)
Interest received	230,939	95,660
Dividend received	931	-
Net cash received / (used in) from investing activities	3,131,870	(1,904,340)
C. Cash flow from financing activities		
Interest paid	(467,685)	(366,317)
Net cash used in financing activities	(467,685)	(366,317)
Net changes in cash and cash equivalents (A+B+C)	(291,854)	(3,659,394)
Cash and cash equivalents opening balance (Refer Note below)	807,353	4,466,747
Cash and cash equivalents closing balance (Refer Note below)	515,499	807,353

Notes

Cash and cash equivalent do not include balance in fixed deposits pledged with bank, Term Deposits and current account balance to the extent held by the bank as per Court Order. (Refer Schedule 8)

The schedules referred to above form an integral part of the Cash Flow Statement

As per our report of even date attached

For and on behalf of Mather and Platt Fire Systems Limited

For B S R and Co.

Chartered Accountants

Vijay Mathur

Partner

Membership No. 046476

Otto Northe
Director

Ravindra Pal Bhatia
Director

Manisha Chavan
Company Secretary

Place : Pune

Date : 27 February 2010

Place : Pune

Date : 27 February 2010

Schedules to the financial statements

as at 31 December 2009

(Currency - Indian Rupees)

1.1 Background

Mather and Platt Fire Systems Limited ('the Company') was formed as a result of a demerger of Mather and Platt (India) Limited on 18 April 2001. Consequently the business of fire systems was transferred to the Company.

The Company is a subsidiary of WILO SE ('the Holding company' formerly known as WILO AG), a company headquartered in Dortmund, Germany.

The Company is primarily engaged in the business of design, development, installation and servicing of Fire Securities systems. The Company has its corporate office at Chinchwad, Pune.

1.2 Going concern

The accumulated losses of the Company have exceeded its net worth as at 31 December 2009. However, Management believes that the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future on the basis of the financial support from the Holding company, WILO SE, Germany. The holding company has agreed to provide necessary financial support to meet the liabilities of the Company till 31 December 2010. In this regard, the Company has received a letter dated 9 December 2009 from the Parent Company confirming that they will provide the necessary financial support till 31 December 2010.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable.

2.2 Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and other incidental expenses related to the acquisition, construction and installation of the fixed assets.

Depreciation on fixed assets is provided on the Straight Line Method ("SLM") pro-rata to the period of use. Depreciation is provided based on the useful life of the assets as estimated by the management, or at the rates prescribed under schedule XIV of the Act, whichever is higher.

Category / Group of Asset	Rates (%)
Plant and Machinery	
Computers	33.33
Production machinery	10.34
Patterns	11.31
Furniture and Fittings	
Furniture and fixtures	6.33
Hard furnishing	6.33

Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase.

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Schedules to the financial statements (continued)

for the year ended 31 December 2009

(Currency - Indian Rupees)

2.4 Impairment of assets

In accordance with Accounting Standard 28 – Impairment of Assets (AS 28), the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.5 Investments

Long-term investments are stated at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other costs necessary to make the sale. Cost is determined on the basis of weighted average method and includes expenditure in acquiring the inventories and bringing them to the present location and condition. In the case of semi finished goods inventories, cost includes cost of direct materials and labour and an appropriate share of overheads. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of finished products will exceed their net realisable value.

2.7 Revenue Recognition

a) Product sales

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of goods are passed onto the customers. Sales are recorded net of sales tax / value added tax, discounts and rebates.

b) Interest income

Interest income is recognised on a time proportionate basis taking into account the amount invested and the rate applicable.

c) Other

Other items of income are accounted as and when the right to receive arises.

2.8 Operating leases

Lease payments under operating leases are recognised as an expense in the Profit and Loss account on a straight-line basis over the period of the lease.

2.9 Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account of the year.

Monetary assets and liabilities denominated in foreign currency at the Balance Sheet date are translated at the year end exchange rate and the resultant exchange differences are recognized in the Profit and Loss account.

2.10 Taxation

Income-tax comprises current tax and fringe benefit tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the

Schedules to the financial statements (continued)

for the year ended 31 December 2009

(Currency - Indian Rupees)

tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation and carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonable/ virtually certain (as the case may be) to be realised.

In accordance with the guidance note issued by Institute of Chartered Accountants of India, the Company recognizes Minimum Alternate Tax credit as an asset only to the extent the probability exists that the Company will be liable to pay normal income tax during the specified period as per provisions of the Income Tax Act, 1961.

2.11 Earnings per share ('EPS')

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent dilutive equity shares outstanding during the year, except where the results would be anti-dilutive.

2.12 Provisions and Contingencies

A provision is recognised in the Balance Sheet when the Company has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation, in respect of which a reliable estimate of the amount of the obligation can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of economic resources. Where there is a possible obligation in respect of which the likelihood of outflow of economic resources is remote, no provision or disclosure is made.

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Schedules to the financial statements (continued)

as at 31 December 2009

(Currency - Indian Rupees)

	2009	2008
3 Share capital		
Authorised		
5,000,000 equity shares of Rs. 10 each	50,000,000	50,000,000
Issued, subscribed and paid up		
3,402,647 equity shares of Rs.10 each	34,026,470	34,026,470
	34,026,470	34,026,470
a) All the aforesaid shares were allotted for consideration other than cash pursuant to the Scheme of Arrangement between the Company and Mather and Platt (India) Limited, sanctioned by Hon'ble High Court of Mumbai vide its Order dated 18 April 2001.		
b) Of the above, 1,887,697 (2008: 1,887,697 shares) shares are held by the WIL0 SE ('Holding Company').		

4 Fixed assets

	Plant and machinery	Furniture, fixtures & office equipment	Total 2009	Total 2008
Gross block as at 1 January 2009	292,197	136,514	428,711	428,711
Deletions during the year	82,621	117,928	200,549	-
Gross block as at 31 December 2009	209,576	18,586	228,162	428,711
Accumulated depreciation as at 1 January 2009	291,297	136,514	427,811	427,811
Depreciation for the year	-	-	-	-
Depreciation on deletions	82,621	117,928	200,549	-
Accumulated depreciation as at 31 December 2009	208,676	18,586	227,262	427,811
Net block as at 31 December 2009	900	-	900	900
Previous year as at 31 December 2008	900	-	900	-

Schedules to the financial statements (continued)
as at 31 December 2009
(Currency - Indian Rupees)

	2009	2008
5 Investments		
<i>(Non trade, Long term)</i>		
Quoted		
Equity shares (fully paid-up) *		
266 shares (2008 : 266 shares) of Rs.10 each United Spirits Limited	16,100	16,100
Unquoted		
Government securities		
6 Year National Savings Certificates (lodged with Karnataka Sales tax department as security deposit)	5,000	5,000
	<u>21,100</u>	<u>21,100</u>
<i>Aggregate market value of quoted investments</i>	334,867	235,796
* <i>Held in the name of erstwhile Veedip Financial Services Pvt. Ltd. Application made to endorse the share certificate in the present name of the Company.</i>		
6 Inventories		
Work-in-progress	-	360,724
	<u>-</u>	<u>360,724</u>
7 Sundry debtors		
<i>(Unsecured)</i>		
Outstanding for a period more than six months:		
Considered good	465,190	6,223,587
Considered doubtful	79,672,195	79,878,338
Less: Provision for doubtful debts	<u>(79,672,195)</u>	<u>(79,878,338)</u>
	<u>465,190</u>	<u>6,223,587</u>
8 Cash and bank balances		
Cash on hand	6,332	5,621
Balances with scheduled banks :		
- in current accounts*	509,167	1,206,732
- in fixed deposit accounts **	-	2,900,000
* includes Rs.Nil (2008: Rs 405,000) restricted as per court order.		
** includes deposits Rs.Nil (2008: Rs. 900,000) pledged against performance bank guarantee.		
	<u>515,499</u>	<u>4,112,353</u>

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Schedules to the financial statements (continued)

as at 31 December 2009

(Currency - Indian Rupees)

	2009	2008
9 Loans and advances		
<i>(Unsecured, considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	278,710	371,675
Advance taxes and tax deducted at source <i>(net of provisions)</i>	303,422	884,445
	<u>582,132</u>	<u>1,256,120</u>
10 Current liabilities		
Sundry creditors (Refer schedule 18 and 23)	9,491,892	16,905,547
Advances received from customers	15,931	4,021,099
Advances received from Mather and Platt Pumps Limited	29,487,644	25,750,324
	<u>38,995,467</u>	<u>46,676,970</u>
11 Provisions		
Provision for income tax (net of advance taxes)	-	5,674,168
	<u>-</u>	<u>5,674,168</u>

Schedules to the financial statements (continued)
for the year ended 31 December 2009
(Currency - Indian Rupees)

	2009	2008
12 Other income		
Interest from banks (tax deducted at source, Rs. 53,975 (2008: Rs. 16,402))	166,691	135,525
Dividend	931	-
Bad debts recovered	-	1,526,285
Write-back of provision for doubtful debts	206,143	3,423
Liabilities no longer payable written back	6,221,623	4,595,483
Provisions no longer payable written back	-	434,882
	<u>6,595,388</u>	<u>6,695,598</u>
13 Materials consumed		
Raw materials and components consumed	325,291	836,738
Decrease in work-in-progress		
Opening stock :		
Work-in-progress	360,724	2,004,499
Closing stock :		
Work-in-progress	-	360,724
	<u>360,724</u>	<u>1,643,775</u>
	<u>686,015</u>	<u>2,480,513</u>
14 Operating expenses		
Rates and taxes	-	186,880
Site expenses	480,699	2,890,294
Travelling and conveyance	72,596	111,611
Insurance	1,482	7,871
Legal and professional charges	133,770	26,767
Auditors' remuneration (Refer schedule 19)	334,658	316,180
Annual general meeting and share registration expenses	576,267	630,078
Bad debts written off	5,888,075	-
Advances written off	320,746	-
Miscellaneous expenses	341,855	376,324
	<u>8,150,148</u>	<u>4,546,005</u>
15 Interest and finance charges		
Finance charges	467,685	342,481
	<u>467,685</u>	<u>342,481</u>

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Schedules to the financial statements (continued)

for the year ended 31 December 2009

(Currency - Indian Rupees)

Notes to accounts

		2009	2008
16 Earnings per share			
Net profit for the year attributable to equity shareholders	A	2,965,708	3,476,367
Weighted average number of equity shares of Rs 10 each outstanding during the year	B	3,402,647	3,402,647
Basic and diluted earnings per equity share of Rs 10 each	(A/B)	<u>0.87</u>	<u>1.02</u>
17 Contingent liabilities			
a) Claims against the company not acknowledged as debts		415,739	415,739
b) Sales tax and Works Contract tax*		10,082,000	10,082,000
c) E.S.I *		120,000	120,000
d) Performance guarantees & other obligations in respect of various projects. (Secured against bank guarantee provided by Mather and Platt Pumps Limited)		16,041,102	19,906,296
		<u>26,658,841</u>	<u>30,524,035</u>

* Excluding interest, leviable if any on conclusion of the matter.

18 Creditors scheme of arrangement

The Company's Scheme of Arrangement with its Unsecured creditors has been approved by the Hon'ble High Court of Judicature at Bombay vide Order dated 30th April, 2007. Unsecured Creditors have exercised the options for settlement of their claims and the Company has disbursed first and the second installment due as per the scheme. The second installment of Rs. 4,188,055 was paid to the creditors under the Scheme during the year. Next installment will be disbursed as per the options selected. Reduction of principal value of liabilities arising out of the compromise/ arrangement under the scheme credited to Capital Reserve, has been set off against the loss in the previous years, in accordance with accounting treatment prescribed under clause 5 of the Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Bombay vide Order dated 30 April 2007.

19 Auditors' remuneration (*)

Audit and limited review services	220,000	215,000
Other services	80,000	80,000
Out of pocket expenses and service tax on the above services	34,658	21,180
	<u>334,658</u>	<u>316,180</u>

(*) Out of the above, Rs. Nil (2008: Rs. 76,180) represents remuneration paid/payable to the erstwhile auditors of the Company.

Schedules to the financial statements (continued)

for the year ended 31 December 2009

(Currency - Indian Rupees)

20 Quantitative Information

a) Details of Capacity and Production

Particulars	Units	Installed Capacity		Production	
		2009	2008	2009	2008
Complete fire protection installations including components and accessories.	Nos.	1,000	1,000	-	2
		1,000	1,000	-	2

Note:

1) Installed capacity is certified by the Management and accepted by the auditors, without verification being a technical matter.

b) Quantitative information - Sales

Particulars	Unit	2009		2008	
		Quantity	Value	Quantity	Value
Complete fire protection installations including components and accessories.	Nos.	-	-	2	4,007,291
Spares accessories, components, etc.	-	-	-	-	476,413
Total		-	-	3	4,483,704

Note:

1) For paragraph 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the classes of goods dealt with by the Company are grouped under suitable product heads.

c) Consumption of raw material, intermediates, components etc.

Particulars	Unit	2009		2008	
		Quantity	Value	Quantity	Value
Spares, accessories, components, etc.	-	-	325,291	-	836,738
		-	325,291	-	836,738

Note:

1) Some of the spares and components are sold as parts by the Company. The above also includes the cost of spares and components sold, this being an activity ancillary to the main activity.

d) Imported and indigenous raw materials, intermediates components and spares consumed during the year:

Particulars	2009		2008	
	Value	% of Total consumption	Value	% of Total consumption
Imported	-	-	-	-
Indigenous	325,291	100%	836,738	100%
	325,291	100%	836,738	100%

ANNUAL REPORT 2009

Schedules to the financial statements (continued)

as at 31 December 2009

(Currency - Indian Rupees)

21 Disclosure of related parties / related party transactions:

a) List of related parties where control exists

Sr. No.	Name of the Related Party	Relationship
1	WILO SE , Germany *	Holding Company

*The Company holds more than one-half in nominal value of the equity share capital

b) Names of the related parties with whom transactions were carried out during the year and description of relationship:

Sr. No.	Associate Company
1	Mather and Platt Pumps Limited

c) Disclosure of related party transactions:

Sr. No.	Nature of transaction / relationship / major parties	2009		2008	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Advances received for operations Associate & Joint Ventures, including: Mather and Platt Pumps Limited	3,737,320	3,737,320	505,422	505,422

d) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship / major parties	2009		2008	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Advances / Loans received from : Holding Company Associate & Joint Ventures, including: Mather and Platt Pumps Limited	29,487,644	29,487,644	25,750,324	25,750,324
2	Accounts Payables Associate & Joint Ventures, including: Mather and Platt Pumps Limited	2,109,649	2,109,649	2,109,649	2,109,649
3	Guarantees / Collaterals Associate & Joint Ventures, including: Mather and Platt Pumps Limited	16,041,102	16,041,102	19,906,296	19,906,296

"Major parties" denote entities who account for 10% or more of the aggregate for that category of transaction.

Schedules to the financial statements (continued)

as at 31 December 2009

(Currency - Indian Rupees)

e) Notes to related party transactions:

- a) No provisions pertaining to above referred related parties have been written back during the year.
- b) Orders, invoicing and other matters relating to the operations of the company, are being presently done / dealt with in the name of Mather and Platt (India) Ltd. wherefrom the company demerged, pending completion of various formalities in this regard.
- c) The Company has no staff and the operations of the Company are supported by Mather and Platt Pumps Limited, free of charge.

22 Segmental information

The Company is primarily engaged in the business of design, development, manufacture, installation of fire securities systems. As such, there is no separate reportable segment as per the Accounting Standard – 17 “Segment Reporting”. All the activities of the Company are carried out in India.

23 Compliance with Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act')

Pursuant to the creditors scheme of arrangement (Refer Schedule 18) the Company has not circulated letters to its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said MSMED Act have not been given.

24 Deferred taxation

As at the year end, the Company has assessed the realisability of the deferred tax assets on carry forward loss for the year and has determined that there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized and therefore it has not created any deferred tax asset.

25 Prior period comparatives

Previous years' comparative figures have been regrouped/reclassified wherever necessary to conform to current year's presentation.

For and on behalf of Mather and Platt Fire Systems Limited

Otto Northe **Ravindra Pal Bhatia** **Manisha Chavan**
Director *Director* *Company Secretary*

Place : Pune

Date : 27 February 2010

ANNUAL REPORT 2009

Additional information as required under Part IV of Schedule VI to the Companies Act,1956.

Balance Sheet Abstract and Company's General Business Profile:

1 Registration Details:

Registration No:	14500
State Code	25
Balance Sheet Date	31 st December,2009

2 Capital raised during the year

	Rs. "000"
Public Issue	-
Rights Issue	-
Bonus Issue	-

3 Position of mobilisation and deployment of funds:

Total Liabilities	73,022
Total Assets	73,022

Sources of Funds:

Paid up Capital	34,026
Reserves & Surplus	-
Secured Loans	-
Unsecured Loans	-

34,026

Application of Funds:

Net Fixed Assets	1
Investments	21
Net Current Assets	(37,433)
Profit & Loss Account - (Loss)	71,437

34,026

4 Performance of Company:

Turnover	-
Total Expenditure	9,304
Profit before taxation	(2,708)
Profit/(Loss) after tax	2,966
Earnings per Share(Rs.)	0.87
Dividend Rate	-

5 Generic Names of Principal products, services of the Company:

Item Code No.	-
Product Description	Fire Protection Products and Systems

For and on behalf of Mather and Platt Fire Systems Limited

Otto Northe **Ravindra Pal Bhatia** **Manisha Chavan**
Director *Director* *Company Secretary*

Place : Pune
Date : 27 February 2010

MATHER AND PLATT FIRE SYSTEMS LIMITED

REGISTERED OFFICE

MUMBAI-PUNE ROAD, CHINCHWAD, PUNE-411 019

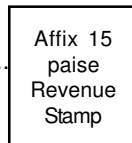
PROXY FORM

DP ID : _____ **FOLIO NO. :** _____
CLIENT ID : _____ **NO. OF SHARES :** _____

I/We
of in the district of being a member/
members of the above named Company hereby appoint of
..... in the district of or
failing him of in the district of
..... as my/our proxy to vote for me/us on my/our behalf at the
17th ANNUAL GENERAL MEETING of the Company to be held on Saturday, 24 April, 2010 at 11.15 a.m. at Hotel
Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411034

Signed this day of, 2010

Signature



Note :

This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- CUT HERE -----

MATHER AND PLATT FIRE SYSTEMS LIMITED

REGISTERED OFFICE

MUMBAI-PUNE ROAD, CHINCHWAD, PUNE-411 019

ATTENDANCE SLIP

17th Annual General Meeting

DP ID : _____ **FOLIO NO. :** _____
CLIENT ID : _____ **NO. OF SHARES :** _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company held on Saturday, 24 April, 2010 at 11.15 a.m. at Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411034

.....
Member's/Proxy's name in BLOCK Letters

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the entrance of the hall.

BOOK POST

If undelivered, please return to :

Mather + Platt

MATHER AND PLATT FIRE SYSTEMS LIMITED

REGISTERED OFFICE :

Mumbai-Pune Road, Chinchwad, Pune-411 019, India

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