

*Annual Report 2011*

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**Board of Directors**

Chairman Dr. Holger Krasmann  
Mr. Gilbert Faul  
Mr. Prakash Nene  
Mr. Kiran Malhotra  
Mr. Bomi Daruwala  
Mr. Hemant Watve (w.e.f. 30.07.11)

**Company Secretary**

Ms. Manisha Chavan

**Auditors**

M/s. B S R & 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,  
2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange,  
Andheri Kurla Road, Sakinaka,  
Mumbai - 400072, India.

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**NOTICE**

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of Mather and Platt Fire Systems Limited will be held on Saturday, 28 April 2012 at 10.30 a.m. at the registered office of the Company at Chinchwad Works, Mumbai Pune Road, Chinchwad, Pune 411 019 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31 December 2011 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 Dr. Holger Krasmann, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Gilbert Faul, who retires by rotation and being eligible, offers himself 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. Hemant Watve, 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 30 July 2011 and holds office upto the date of the 19<sup>th</sup> 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**

Place : Pune

**Manisha Chavan**

Date : 11 February 2012

Company Secretary

**NOTES:**

1. The Register of Members/Beneficial Owners and the Share Transfer Registers of the Company will remain closed from Tuesday, 24 April 2012 to Saturday, 28 April 2012 (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	Dr. Holger Krasmann	Mr. Gilbert Faul	Mr. Hemant Watve
Date of Birth	15.09.1961	02.05.1967	03.12.1965
Age (Years)	50	44	46
Qualifications and experience	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 WILO SE, Germany	Engineer ENSTA- Paris with an experience of 22 years at various capacities in the field of manufacturing and management. He is responsible for Asia Pacific business of WILO SE. He is also a member of Management Board of WILO SE, Germany	Masters degree in Mechanical Engineering and Masters of business Administration with 23 years of experience in various Companies at various positions in the field of Operations
Directorships held in other companies (excluding foreign companies)	Mather and Platt Pumps Ltd.	Mather and Platt Pumps Ltd.	Mather and Platt Pumps Ltd.
Memberships / Chairmanships of Committees in the Company+	NIL	NIL	NIL
Memberships / Chairmanships of Committees in other companies (excluding foreign companies) +	Member of Audit Committee- Mather and Platt Pumps Ltd.	NIL	NIL
Shareholding in the Company	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. Hemant Watve has been appointed as Additional Director with effect from 30 July 2011 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. Hemant Watve for appointment as director liable to retire by rotation. The brief resume of Mr. Hemant Watve is given in Annexure I to the notice.

The Board of Directors is of the opinion that the

association of Mr. Hemant Watve will be beneficial to the Company and recommends his appointment as director liable to retire by rotation.

Mr. Hemant Watve may be considered as interested in the passing of this resolution. No other Director is concerned or interested in this resolution

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

Manisha Chavan  
Company Secretary

Place : Pune  
Date : 11 February 2012

## DIRECTORS' REPORT

Dear members,

Your directors are pleased to present the 19<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31 December 2011.

### Summarized Financial Results

	(Million INR)	
	<b>Year ended</b>	
	<b>31 Dec. 2011</b>	31 Dec. 2010
Sales & Services	<b>0</b>	0
Other Income	<b>1.55</b>	10.38
Profit / (Loss) before Interest, Depreciation and Tax	<b>0.01</b>	7.56
Less: Interest	<b>0.02</b>	0.13
Depreciation	<b>0</b>	0
Profit before Tax	<b>(0.01)</b>	7.43
Provision for Income Tax:		
Tax expense	<b>0</b>	1.44
Excess provision of income tax for earlier years written back	<b>(1.25)</b>	0
Profit after Tax	<b>1.24</b>	5.99
Balance Profit / (Loss) brought forward from previous year	<b>(65.45)</b>	(71.44)
Balance in Profit & Loss Account	<b>(64.21)</b>	(65.45)
Net Accumulated Loss carried to Balance Sheet	<b>(64.21)</b>	(65.45)

### 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.

### 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, Dr. Holger Krasmann and Mr. Gilbert Faul retire by rotation and being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Hemant Watve has been appointed as Additional

Director with effect from 30 July 2011 and holds office upto the conclusion of the 19<sup>th</sup> Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a member proposing the candidature of Mr. Hemant Watve for appointment as director liable to retire by rotation. The Board recommends his appointment.

### 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:

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) 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 2011 and of the profit of the Company for that financial year;
- (c) 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;
- (d) 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.

### Management Discussion and Analysis Report

The report on Management Discussion and Analysis

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pursuant to Clause 49 of the Listing Agreement is annexed hereto as Annexure B.

## **Auditors**

M/s. B S R & Co, Chartered Accountants, auditors of the Company holds office till the conclusion of the 19<sup>th</sup> Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, 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 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.

## **Listing**

The equity shares of the Company are listed at Bombay Stock Exchange Limited and Pune Stock Exchange Limited. Listing fees for the year 2011-2012 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**

**Hemant Watve**  
*Director*

Place : Pune  
Date : 11 February 2012

**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 ++
Dr. Holger Krasmann Chairman	PD	1	1/0
Mr. Gilbert Faul	PD	1	0/0
Mr. Ravindra Pal Bhatia*	OD	1	0/0
Mr. Eike Doelschner**	PD	1	0/0
Mr. Hemant Watve***	OD	1	0/0
Mr. Prakash Nene	ID	2	0/2
Mr. Kiran Malhotra	ID	1	2/0
Mr. Bomi Daruwala	ID	1	2/0

\* Resigned w.e.f. 15.04.2011

\*\* Resigned w.e.f. 29.10.2011

\*\*\* Additional Director w.e.f. 30 July 2011

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

+ As on 31 December 2011/ date of resignation, excluding directorships / committee positions held in private companies, foreign companies / bodies corporate.

++ As on 31 December 2011/ 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 on 31 December 2011, four Board Meetings were held on 26 February 2011, 30 April 2011, 30 July 2011 and 29 October 2011. 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 30.04.2011	Number of Board Meetings attended during 01.01.2011 to 31.12.2011
Dr. Holger Krasmann	Yes	2
Mr. Gilbert Faul	Yes	4
Mr. Ravindra Pal Bhatia*	Not Applicable	1
Mr. Eike Doelschner**	Yes	2
Mr. Prakash Nene	Yes	3
Mr. Kiran Malhotra	Yes	4
Mr. Bomi Daruwala	No	2
Mr. Hemant Watve***	Not Applicable	2

\* Resigned w.e.f. 15 April 2011

\*\* Resigned w.e.f. 29 October 2011

\*\*\* Appointed w.e.f. 30 July 2011

**3. Audit Committee:**

Audit Committee consisted of Mr. Prakash Nene, as Chairman, Mr. Bomi Daruwala and Mr. Kiran Malhotra as members. During the financial year ended 31 December 2011, the Audit Committee met four times on 26 February 2011, 30 April 2011, 30 July 2011 and 29 October 2011. The particulars of attendance at the Audit Committee meetings are as under:

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

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 presently comprises of the following members of the Board:

- (a) Mr. Prakash Nene, Chairman
- (b) Mr. Kiran Malhotra, Member
- (c) Mr. Bomi Daruwala, Member

During the financial year ended 31 December 2011 the Committee met four times on 26 February 2011, 30 April 2011, 30 July 2011 and 29 October 2011 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. Prakash Nene	3
Mr. Kiran Malhotra	3
Mr. Bomi Daruwala	1

During the financial year ended 31 December 2011, 2 investor complaints were received and resolved. There was no pending investor complaint as on 31 December 2011.

## 6. General Body Meetings:

### Details of last three Annual General Meetings held

Meeting	Venue of the meeting	Date and Time
18 <sup>th</sup> Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411 034	Saturday, 30 April 2011 at 11.00 a.m.
17 <sup>th</sup> Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411 034	Saturday, 24 April 2010 at 11.15 a.m.
16 <sup>th</sup> 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.

### Special Resolutions passed in last three Annual General Meetings

Meeting	Subject matter of Special Resolution
18 <sup>th</sup> Annual General Meeting	No Special Resolution was passed
17 <sup>th</sup> Annual General Meeting	No Special Resolution was passed
16 <sup>th</sup> 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 2011, 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 2011 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](http://www.bseindia.com)

## 9. General Shareholders' Information:

### a) Annual General Meeting

Date and time : Saturday, 28 April 2012 at 10.30 a.m.  
 Venue : Registered office of the Company at Chinchwad Works, Mumbai Pune Road, Chinchwad, Pune – 411 019

### b) Financial Calendar (tentative)

1 January to 31 December 2012  
 First Quarter Results : Fourth week of April, 2012  
 Second Quarter / Half year Results : Fourth week of July, 2012  
 Third Quarter Results : Fourth week of October, 2012  
 Last Quarter / Annual Results : Fourth week of February, 2013

### c) Dates of Book Closure

Tuesday, 24 April 2012 to Saturday 28 April 2012 (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 2011-12 have been paid to both the stock exchanges.

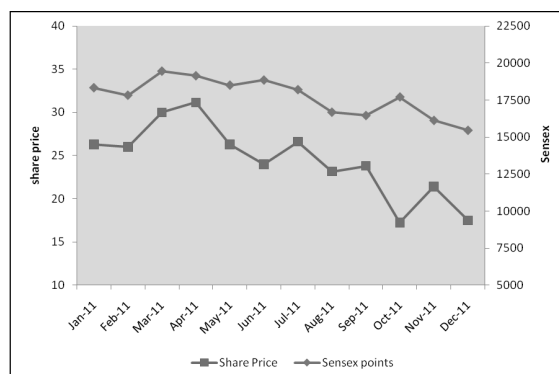
**e) ISIN No.** INE095E01014

**f) Market Price Data for the year ended on 31 December 2011:**

**Bombay Stock Exchange Limited**

Month	Open (INR)	High (INR)	Low (INR)	Close (INR)	No. of Shares	No. of Trades	Net Turnover (INR)
January 2011	30.80	33.65	26.30	26.30	9807	82	310,018
February 2011	25.10	27.60	22.80	26.00	2122	58	53,843
March 2011	27.30	34.30	25.55	30.00	38775	149	1,128,228
April 2011	30.90	34.75	25.60	31.15	12287	97	372,007
May 2011	29.00	31.30	24.75	26.30	14341	117	408,416
June 2011	25.75	27.00	23.25	24.00	9753	106	246,886
July 2011	25.10	27.45	23.50	26.60	17697	113	450,048
August 2011	27.25	28.85	22.15	23.15	6974	56	166,645
September 2011	22.00	25.00	21.90	23.80	25348	69	592,675
October 2011	22.65	22.65	17.20	17.25	5728	36	112,983
November 2011	18.10	23.35	18.10	21.40	17849	42	381,218
December 2011	20.50	20.50	17.25	17.50	2659	21	49,058

**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.

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## j) Shareholding Pattern as on 31 December 2011

### Statement Showing Shareholding Pattern

Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)		0	0	0	0.00	0.00	0	0.00
(e-ii)		0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	1	1887697	1887697	55.48	55.48	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
d-i		0	0	0	0.00	0.00	0	0.00
d-ii		0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>1887697</b>	<b>1887697</b>	<b>55.48</b>	<b>55.48</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1</b>	<b>1887697</b>	<b>1887697</b>	<b>55.48</b>	<b>55.48</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	2	218	0	0.01	0.01	0	0.00
(b)	Financial Institutions / Banks	20	894	18	0.03	0.03	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	2	17830	17830	0.52	0.52	0	0.00
(f)	Foreign Institutional Investors	1	67	0	0.00	0.00	0	0.00

**j) Shareholding Pattern as on 31 December 2011 (continued)**
**Statement Showing Shareholding Pattern**

Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(h-i)		0	0	0	0.00	0.00	0	0.00
(h-ii)		0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>25</b>	<b>19009</b>	<b>17848</b>	<b>0.56</b>	<b>0.56</b>	<b>0</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	187	87050	73927	2.56	2.56	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	26054	1149898	604187	33.79	33.79	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10	258993	258993	7.61	7.61	0	0.00
(c)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(c-i)		0	0	0	0.00	0.00	0	0.00
(c-ii)		0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>26251</b>	<b>1495941</b>	<b>937107</b>	<b>43.96</b>	<b>43.96</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>26276</b>	<b>1514950</b>	<b>954955</b>	<b>44.52</b>	<b>44.52</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>26277</b>	<b>3402647</b>	<b>2842652</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0
	<b>Sub-Total (C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>26277</b>	<b>3402647</b>	<b>2842652</b>		<b>100.00</b>	<b>0</b>	<b>0.00</b>

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## k) Distribution of Shareholding as on 31 December 2011:

Shares held	No. of Shareholders	% age to Total No. of Shareholders	No. of Shares	% age of Total No. of Shares
Less than - 500	26054	99.15	836432	24.58
501 to 1000	111	0.42	93087	2.74
1001 to 2000	47	0.18	67694	1.99
2001 to 3000	22	0.08	56979	1.68
3001 to 4000	7	0.03	24780	0.73
4001 to 5000	5	0.02	23534	0.69
5001 to 10000	17	0.07	114793	3.37
10001 & above	14	0.05	2185348	64.22
Total	26277	100.00	3402647	100.00

## l) Dematerialisation of shares and liquidity

Approximately 83.54% of the total number of Equity Shares in the Company were held in dematerialised as on 31 December 2011.

## 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@matherplatt.com

### 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 2011.

Place : Pune  
Date : 1 February 2012

**Hemant Watve**  
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 31 December, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 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 has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 BSR & Co.**  
*Chartered Accountants*  
Firm Reg. No.: 101248W

Place : Pune  
Date : 11 February 2012

**Juzer Miyajiwala**  
Partner  
Membership No.: 047483

## ANNEXURE B TO THE DIRECTORS' REPORT

### Management Discussion and Analysis

#### Industry Structure and Development

The overall industrial production scenario in the country is less encouraging as compared to last year. The cumulative growth in the index of industrial production for the period April – December 2011 -2012 stood at 3.6% over the corresponding period of previous year. The cumulative growth during April – December 2011- 2012 over the corresponding period of previous year 2010-11 for the manufacturing sector stood around 3.9%.

#### Fire Protection Systems - Industry Scenario

In the last decades, India has witnessed a number of man made and natural disasters and this has necessitated the need of installing robust fire detection and protection systems that enable mitigation of risks arising out of fire and security threats. . The main functions of Fire Protection Systems in India are provisions of fire protection and of services during emergencies in industries and high rise buildings and other buildings having special fire risks, etc. But as the years passed by, awareness about risk management and safety has increased and fire protection and detection became integral aspects of a structural set up done by architects and design consultants. People at large are increasingly becoming aware about the risks and the need to have a firefighting/detecting system supplemented by other surveillance systems and thus the Indian Industry, is definitely warming up to the fire protection and detection industry and the total market of the fire protection industry has been growing.

#### Opportunities and threats

Due to increased awareness on Disaster Response Planning, Emergency Evacuation Procedures and with rapid strides in technological developments, major focus on environment, health and safety, the opportunities for fire fighting and protection systems are boosting continuously. Since its inception, the Company has strived to provide the most effective and optimum fire protection solution to its customers. Over the decades the Company has provided widest range of Fire Detection & Protection Systems for various premises catering different industries such as Power Plants, Substations, Refineries Petrochemicals, High Rise Buildings, Hotels etc. in complete length and width of country. The company's strength lies in its ability of binding together engineering talent and experience, prompt services, ethical business policies, reasonable pricing of products as well as the latest technological breakthroughs. The major threat today is competition which is heating up the market with many players in the fray for providing firefighting and detection systems.

#### Financial Performance

During the year under review, there was no Sales. The Profit before Interest, Depreciation and Tax for the year under review is 0.01 Million (previous year's Profit INR 7.56 Million)

and the Net Profit after Tax amounted to INR 1.24 Million (previous year INR 5.99 Million).

#### Outlook

The industry is likely to grow due to growth in High Rise Buildings, Power Plants, Petrochemicals, Oil Refineries. Also support from government by providing fiscal incentives, subsidies, enforcement of regulatory norms, to give tax breaks, can contribute to the growth of this industry and will ensure the sustainability if this industry in future.

Though the global slowdown is expected to persist and environment looks weakest, recovery is possible by setting long term objectives and initiating efforts in that direction and embracing newer technologies to deal with newer dimensions of risk the outlook for the year ahead is certainly challenging and will lead successful growth path for this industry.

#### Risks and concerns

The Industry is facing problems due to increasing competition, high risk profile Infrastructure projects, long gestation periods of infrastructure projects, changes in Government policies, lack of investments by Government and domestic giants, low spending on R & D, continuous fluctuations in the market etc.

The downturn in business activities of the Company in last few years have resulted in the severe liquidity crises. The net worth of the Company has been completely eroded and the Company has accumulated loss of around INR 64.21 Million.

#### 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 2011 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 2011, 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 2011;
  - (ii) significant changes in accounting policies during the year 31 December 2011 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**

**Hemant Watve**  
*Director*

**Shailendra Jha**  
*Chief Financial Officer*

Date : 11 February 2012  
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 2011 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 on 31 December 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31 December 2011 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 2011;
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company 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 & Co.**

Firm Registration No. 101248W  
*Chartered Accountants*

Place : Pune  
Date : 11 February 2012

**Juzer Miyajiwala**  
*Partner*  
Membership No: 047483

## ANNUAL REPORT 2011

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### Annexure to the Auditors' Report – 31 December 2011

[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 2011]

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 program 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) The Company has not disposed off any of its fixed assets during the year. Accordingly, provisions of clause 4(i)(c) of the Order are not applicable to the Company.
2. The Company does not hold any physical inventory as at the end of the year. Accordingly provisions of clause 4(ii) of the Order are not applicable to the Company.
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. The Company has not purchased any inventory or fixed assets and there were no sales or services rendered during the year. Accordingly, provisions of clause 4(iv) of the Order are not applicable to the Company.
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.

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 2011 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the following dues of Sales Tax and Employees' State Insurance have not been deposited with the appropriate authorities on account of disputes.



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/other 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 BSR & Co.**  
Firm Registration No. 101248W  
Chartered Accountants

Place : Pune  
Date : 11 February 2012

**Juzer Miyajiwala**  
Partner  
Membership No: 047483

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## Balance Sheet

as at 31 December 2011

(Currency - Indian Rupees)

	Schedule	2011	2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds :</b>			
Share capital	3	<u>34,026,470</u>	<u>34,026,470</u>
		<u>34,026,470</u>	<u>34,026,470</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets :</b>			
Gross block	4	228,162	228,162
Less: Accumulated depreciation		<u>(227,262)</u>	<u>(227,262)</u>
Net block		900	900
<b>Investments</b>	5	21,100	21,100
<b>Current assets, loans and advances:</b>			
Sundry debtors	6	265,190	465,190
Cash and bank balances	7	572,872	664,454
Loans and advances	8	<u>393,390</u>	<u>394,279</u>
		<u>1,231,452</u>	<u>1,523,923</u>
<b>Less: Current liabilities and provisions:</b>			
Current liabilities	9	31,435,416	31,722,003
Provisions	10	-	<u>1,245,980</u>
		<u>31,435,416</u>	<u>32,967,983</u>
<b>Net current liabilities</b>		<u>(30,203,964)</u>	<u>(31,444,060)</u>
Profit and Loss Account balance		<u>64,208,434</u>	<u>65,448,530</u>
		<u>34,026,470</u>	<u>34,026,470</u>
<b>Significant accounting policies</b>	2		
<b>Notes to financial statements</b>	14 - 23		

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 & Co.**

Chartered Accountants  
Firm Reg. No.: 101248W

**Dr. Holger Krasmann**  
Chairman

**Hemant Watve**  
Director

**Juzer Miyajiwala**

Partner  
Membership No. 047483

**Shailendra Jha**  
Chief Financial Officer

**Manisha Chavan**  
Company Secretary

Place : Pune  
Date : 11 February 2012

Place: Pune  
Date : 11 February 2012

**Profit and Loss Account**
*for the period ended 31st December 2011*
**(Currency - Indian Rupees)**

	<i>Schedule</i>	<b>2011</b>	2010
<b>Income</b>			
Other income	11	<b>1,552,383</b>	10,384,555
		<hr/>	<hr/>
		<b>1,552,383</b>	10,384,555
		<hr/> <hr/>	<hr/> <hr/>
<b>Expenditure</b>			
Operating expenses	12	<b>1,542,847</b>	2,816,352
Interest and finance charges	13	<b>15,420</b>	133,637
		<hr/>	<hr/>
		<b>1,558,267</b>	2,949,989
		<hr/> <hr/>	<hr/> <hr/>
<b>(Loss) / profit before tax</b>		<b>(5,884)</b>	7,434,566
Provision for tax			
- Current tax		-	1,445,980
- Excess provision of income tax with respect to earlier years written back		<b>(1,245,980)</b>	-
		<hr/>	<hr/>
<b>Profit after tax</b>		<b>1,240,096</b>	5,988,586
Balance in Profit and Loss Account brought forward		<b>(65,448,530)</b>	(71,437,116)
		<hr/>	<hr/>
<b>Balance in Profit and Loss Account carried forward</b>		<b>(64,208,434)</b>	(65,448,530)
		<hr/> <hr/>	<hr/> <hr/>
<b>Basic and diluted earnings per equity share of face value of Rs.10 each</b>		<b>0.36</b>	1.76

**Significant accounting policies**

2

**Notes to financial statements**

14 - 23

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 & Co.**
**Dr.Holger Krasmann**
**Hemant Watve**
*Chartered Accountants*
*Chairman*
*Director*

Firm Reg. No.: 101248W

**Juzer Miyajiwala**
**Shailendra Jha**
**Manisha Chavan**
*Partner*
*Chief Financial Officer*
*Company Secretary*

Membership No. 047483

Place : Pune

Place: Pune

Date : 11 February 2012

Date : 11 February 2012

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## Cash Flow Statement

for the period ended 31 December 2011

(Currency - Indian Rupees)

	2011	2010
<b>A. Cash flow from operating activities</b>		
(Loss) / profit before tax	(5,884)	7,434,566
Adjustments for :		
Dividend income	-	(665)
Interest and finance expenses	15,420	133,637
<b>Operating loss before working capital changes</b>	<b>9,536</b>	<b>7,567,538</b>
Adjustments for :		
Decrease in trade and other receivables	200,129	165,883
(Decrease) in trade payables	(286,587)	(7,273,464)
<b>Cash (used in)/from operations</b>	<b>(76,922)</b>	<b>459,957</b>
Direct taxes paid (including tax deducted at source), net of refunds	760	(178,030)
<b>Net cash (used in)/from operating activities</b>	<b>(76,162)</b>	<b>281,927</b>
<b>B. Cash flow from investing activities</b>		
Dividend received	-	665
<b>Net cash received from investing activities</b>	<b>-</b>	<b>665</b>
<b>C. Cash flow from financing activities</b>		
Interest / finance charges paid	(15,420)	(133,637)
<b>Net cash used in financing activities</b>	<b>(15,420)</b>	<b>(133,637)</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>(91,582)</b>	<b>148,955</b>
<b>Cash and cash equivalents opening balance</b>	<b>664,454</b>	<b>515,499</b>
<b>Cash and cash equivalents closing balance</b>	<b>572,872</b>	<b>664,454</b>

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

As per our report of even date attached

**For B S R & Co.**  
Chartered Accountants  
Firm Reg. No.: 101248W

**Juzer Miyajiwala**  
Partner  
Membership No. 047483

Place : Pune  
Date : 11 February 2012

**For and on behalf of Mather and Platt Fire Systems Limited**

**Dr.Holger Krasmann**  
Chairman

**Shailendra Jha**  
Chief Financial Officer

**Hemant Watve**  
Director

**Manisha Chavan**  
Company Secretary

Place: Pune  
Date : 11 February 2012

## Schedules to the financial statements

as at 31 December 2011

(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. Currently there are no commercial operations carried out by the Company.

### 1.2 Going concern

The accumulated losses of the Company have exceeded its net worth as at 31 December 2011. 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 2012. In this regard, the Company has received a letter dated 4 January 2012 from the Parent Company confirming that they will provide the necessary financial support till 31 December 2012.

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 as follows, or at the rates prescribed under schedule XIV of the Act, whichever is higher.

Category / Group of Asset	Rates (%)
<b>Plant and Machinery</b>	
Computers	33.33
Production machinery	10.34
Patterns	11.31
<b>Furniture and Fittings</b>	
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.

# ANNUAL REPORT 2011

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## Schedules to the financial statements

as at 31 December 2011

(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 (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 tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised

## **Schedules to the financial statements**

*as at 31 December 2011*

### **(Currency - Indian Rupees)**

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.

# ANNUAL REPORT 2011

## Schedules to the financial statements (*continued*)

as at 31 December 2011

(Currency - Indian Rupees)

	2011	2010
<b>3 Share capital</b>		
<b>Authorised</b>		
5,000,000 (2010: 5,000,000) equity shares of Rs. 10 each	<b>50,000,000</b>	50,000,000
	<hr/>	<hr/>
<b>Issued, subscribed and paid up</b>		
3,402,647 (2010: 3,402,647) equity shares of Rs.10 each	<b>34,026,470</b>	34,026,470
	<hr/>	<hr/>
	<b>34,026,470</b>	34,026,470
	<hr/> <hr/>	<hr/> <hr/>

- 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 (2010: 1,887,697 shares) shares are held by the WIL0 SE ('Holding Company').

## 4 Fixed assets

	Plant and Machinery	Furniture, Fittings	Total 2011	Total 2010
Gross block as at 1 January 2011	209,576	18,586	<b>228,162</b>	228,162
Gross block as at 31 December 2011	209,576	18,586	<b>228,162</b>	228,162
Accumulated depreciation as at 1 January 2011	208,676	18,586	<b>227,262</b>	227,262
Accumulated depreciation as at 31 December 2011	208,676	18,586	<b>227,262</b>	227,262
<b>Net block as at 31 December 2011</b>	<b>900</b>	-	<b>900</b>	900
Previous year as at 31 December 2010	900	-	900	-



**Schedules to the financial statements (continued)**
*as at 31 December 2011*
**(Currency - Indian Rupees)**

	2011	2010
<b>5 Investments</b>		
<i>(Non trade, Long term)</i>		
<b>Quoted</b>		
<b>Equity shares (fully paid-up)</b>		
266 shares (2010 : 266 shares) of Rs.10 each United Spirits Limited	16,100	16,100
<b>Unquoted</b>		
<b>Government securities</b>		
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>	<u>130,646</u>	<u>388,506</u>
<b>6 Sundry debtors</b>		
<i>(Unsecured)</i>		
Outstanding for a period more than six months:		
Considered good	265,190	465,190
Considered doubtful	69,651,445	69,651,445
Less: Provision for doubtful debts	<u>(69,651,445)</u>	<u>(69,651,445)</u>
	<u>265,190</u>	<u>465,190</u>
<b>7 Cash and bank balances</b>		
Cash on hand	6,332	6,332
Balances with scheduled banks :		
- in current accounts	566,540	658,122
	<u>572,872</u>	<u>664,454</u>
<b>8 Loans and advances</b>		
<i>(Unsecured, considered good )</i>		
Advances recoverable in cash or in kind or for value to be received	112,698	112,827
Advance taxes and tax deducted at source <i>(net of provisions)</i>	280,692	281,452
	<u>393,390</u>	<u>394,279</u>
<b>9 Current liabilities</b>		
Sundry creditors <i>(Refer Schedule 16 and 21)</i>	9,046,038	9,763,974
Advances received from Mather and Platt Pumps Limited	22,389,378	21,958,029
	<u>31,435,416</u>	<u>31,722,003</u>
<b>10 Provisions</b>		
Provision for income tax (net of advance taxes paid)	-	1,245,980
	<u>-</u>	<u>1,245,980</u>

# ANNUAL REPORT 2011

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## Schedules to the financial statements (continued)

for the period ended 31st December 2011

(Currency - Indian Rupees)

	2011	2010
<b>11 Other income</b>		
Dividend received	-	665
Bad debts recovered	-	82,592
Provision for doubtful debts written back	-	10,020,750
Liabilities no longer payable written back	-	44,244
Scrap sales	<b>1,552,383</b>	236,304
	<b>1,552,383</b>	10,384,555
<b>12 Operating expenses</b>		
Rates and taxes	1,700	2,000
Site expenses	117,824	1,402,965
Travelling and conveyance	25,842	135,104
Legal and professional charges	61,113	170,292
Auditors' remuneration	343,438	364,797
Annual general meeting and share registration expenses	478,444	276,583
Miscellaneous expenses	514,486	464,612
	<b>1,542,847</b>	2,816,352
<b>13 Interest and finance charges</b>		
Finance charges	15,420	133,637
	<b>15,420</b>	133,637

## Schedules to the financial statements (*continued*)

as at 31 December 2011

(Currency - Indian Rupees)

### Notes to accounts

		2011	2010
<b>14 Earnings per share</b>			
Net profit for the year attributable to equity shareholders	A	1,240,096	5,988,586
Weighted average number of equity shares of Rs 10 each outstanding during the year	B	3,402,647	3,402,647
		<hr/>	<hr/>
Basic and diluted earnings per equity share of Rs 10 each	(A/B)	0.36	1.76
		<hr/>	<hr/>
<b>15 Contingent liabilities</b>			
a) Claims against the company not acknowledged as debts		415,739	415,739
b) Sales tax and Works Contract tax*		7,432,727	7,432,727
c) Contribution under The Employee's State Insurance Act, 1948 *		120,000	120,000
		<hr/>	<hr/>
		7,968,466	7,968,466
		<hr/>	<hr/>
* Excluding interest, leviable if any on conclusion of the matter.			
<b>16 Creditors scheme of arrangement</b>			
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. 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.			
<b>17 Auditors' remuneration</b>			
Audit and limited review services		220,000	220,000
Other services		80,000	80,000
Out of pocket expenses and service tax on the above services		43,438	64,797
		<hr/>	<hr/>
		343,438	364,797
		<hr/> <hr/>	<hr/> <hr/>

# ANNUAL REPORT 2011

## Schedules to the financial statements (*continued*)

as at 31 December 2011

(Currency - Indian Rupees)

### 18 Quantitative Information

#### a) Details of capacity and production

Particulars	Units	Installed Capacity		Production	
		2011	2010	2011	2010
Complete fire protection installations including components and accessories.	Nos.	1,000	1,000	-	-
		1,000	1,000	-	-

#### Note:

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

#### b) Other Schedule VI information

The information required by paragraph 3(i) and 3(ii) of Part II of Schedule VI to the Companies Act, 1956 has not been disclosed since there are no sales and consumption of raw materials, intermediates, components etc. in the current and previous year.

### 19 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	2011		2010	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	<b>Advances received / (repaid) for operations</b> Associate & Joint Ventures, including: Mather and Platt Pumps Limited	431,349	431,349	(7,529,615)	(7,529,615)
2	<b>Guarantees / collaterals released</b> Associate & Joint Ventures, including: Mather and Platt Pumps Limited	-	-	16,041,102	16,041,102

**Schedules to the financial statements (continued)**
*as at 31 December 2011*
**(Currency - Indian Rupees)**
**d) Amount Due to / from related parties**

Sr. No.	Nature of transaction / relationship / major parties	2011		2010	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	<b>Advances / Loans received from :</b>	22,389,378	22,389,378	21,958,029	21,958,029
	Holding Company				
2	<b>Accounts Payables</b>	2,109,649	2,109,649	2,109,649	2,109,649
	Associate & Joint Ventures, including: Mather and Platt Pumps Limited				

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

**e) Notes to related party transactions:**

- No provisions pertaining to above referred related parties have been written back during the year.
- 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.
- The Company has no staff and the operations of the Company are supported by Mather and Platt Pumps Limited, free of charge.

**20 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.

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

Pursuant to the creditors scheme of arrangement (Refer Schedule 16) 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.

**22 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.

**23 Prior period comparatives**

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

As per our report of even date attached

**For and on behalf of Mather and Platt Fire Systems Limited**

**For B S R & Co.**  
*Chartered Accountants*  
Firm Reg. No.: 101248W

**Dr. Holger Krasmann**  
*Chairman*

**Hemant Watve**  
*Director*

**Juzer Miyajiwala**  
*Partner*  
Membership No. 047483

**Shailendra Jha**  
*Chief Financial Officer*

**Manisha Chavan**  
*Company Secretary*

Place : Pune  
Date : 11 February 2012

Place: Pune  
Date : 11 February 2012

# ANNUAL REPORT 2011

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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	31st December 2011

### 2 Capital raised during the year

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

### 3 Position of mobilisation and deployment of funds:

Total liabilities	65,462
Total assets	65,462
Sources of Funds:	
Paid up capital	34,026
Reserves & surplus	-
Secured loans	-
Unsecured loans	-
	<hr/>
	34,026

### Application of Funds:

Net fixed assets	1
Investments	21
Net current liabilities	(30,204)
Profit & Loss Account balance	64,208
	<hr/>
	34,026

### 4 Performance of Company:

Turnover	1,552
Total expenditure	1,558
Profit before taxation	(6)
Profit/(loss) after tax	1,240
Earnings per Share(Rs.)	0.36
Dividend rate	-

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

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

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#### For and on behalf of Mather and Platt Fire Systems Limited

**Dr.Holger Krasmann**  
*Chairman*

**Hemant Watve**  
*Director*

**Shailendra Jha**  
*Chief Financial Officer*

**Manisha Chavan**  
*Company Secretary*

Place : Pune  
Date : 11 February 2012

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**REGISTERED OFFICE**

MUMBAI-PUNE ROAD, CHINCHWAD, PUNE-411 019

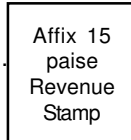
**PROXY FORM**

**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  
19<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, 28 April, 2012 at 10.30 a.m. at the registered  
office of the Company at Chinchwad Works, Mumbai Pune Road, Chinchwad, Pune 411 019.

Signed this ..... day of ....., 2012

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**

19<sup>th</sup> 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 19<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Saturday, 28 April, 2012 at 10.30 a.m. at the registered office of the Company at Chinchwad Works, Mumbai Pune Road, Chinchwad, Pune 411 019.

.....  
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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