

REDUCTION OF CAPITAL
BETWEEN
MATHER & PLATT FIRE SYSTEMS LIMITED AND ITS SHAREHOLDERSN &
CREDITORS
UNDER SECTION 100-104 OF THE COMPANIES ACT 1956
(SECTION 66 OF COMPANIES ACT, 2013)

PART- I

The Scheme of Arrangement provides for:-

1. Reduction of Share capital of M/s. MPF SYSTEMS LTD

1. Definitions:

- 1.1. The Act' means the Companies Act, 2013 or Companies Act, 1956 to the extent applicable and as amended from time to time;
- 1.2. Appointed Date' means 01.04.2015 or such other date as may be approved by the High Court of Judicature at Mumbai or such other appropriate authority;
- 1.3. "MPFSL" means M/s. MPF Systems Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Greaves Compound, Chinchwad Works, Mumbai-Pune Road, Chinchwad(E) , Pune – 411019*;
- 1.4. "DSE" designated stock exchange means a stock exchange which is chosen by the company in accordance with SEBI circular bearing No. CIR/CRD/DIL/8/2013 dated 21st May, 2013 and for the purpose of the scheme Bombay Stock exchange is the DSE.
- 1.5. 'Losses' means the accumulated losses available to the Company to be set off against its Capital.
- 1.6. 'The Court' shall mean the Bombay High Court judicature at Mumbai,
- 1.7. The Effective Date' for the reduction of Capital shall mean the date on which certified copies of the Order of the respective Hon'ble High Court under Sections 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Companies Act, if any, are filed with the Registrar of Companies and duly registered with ROC; and if the certified copies are filed on different dates, the last of such dates;
- 1.8. "Scheme" wherever appears means reduction of capital of the Company.
- 1.9. Record Date' is any date after the Effective Date to be fixed by the Board of Directors of the company for determining the members of the Company whose shares in the Company will stand reduced in accordance with the Order of Hon'ble High Court.

K.M. Salvi



1.10. The words "shareholder" and "member" are used to denote the same meaning and are used interchangeably;

2. EFFECTIVE DATE AND OPERATIVE DATE

This reduction of capital shall be effective from the Effective Date.

3. CAPITAL STRUCTURE OF THE COMPANY AS ON 31ST MARCH, 2015

Share Capital	Amount in Rs.
Authorised:	
5,000,000 Equity Shares of Rs.10/- each	Rs. 50,000,000/-
Issued:	
3,402,647 Equity Shares of Rs.10/- each	Rs. 34,026,470/-
Subscribed	
3,402,647 Equity Shares of Rs.10/- each	Rs. 34,026,470/-
Paid-up	
3,402,647 Equity Shares of Rs.10/- each	Rs. 34,026,470/-

4. PURPOSES & RATIONALE FOR THE REDUCTION OF CAPITAL:

The Reduction of capital of the company is necessary because :

- I. The company suffered losses on account of OBSOLATE Technology and failure to upgrade the R&D division of the fire Engineering Division. The fire fighting equipment's presently deployed in various projects needs use of latest software. The earlier management failed to impart the said software's.
- II. The Company also under went a severe problem in respect of skilled labour and competition from un-organized sector. The Prices are as per International standard hence the company failed to meet with the domestic competition.
- III. For the above reason Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The Subscribed and paid up capital of the Company wiped out.
- IV. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

K. M. Salu



5. REDUCTION OF PAID UP CAPITAL AGAINST ACCUMULATED LOSSES:

On the effective date and after securing necessary approvals and permissions, the accumulated losses of Rs. 32,325,146/- (Rupees Three Crore Twenty Three Lacs Twenty-five Thousand One Hundred fortysix Only) of the Company out of total accumulated Loss of Rs.34,542,585/- (Rupees Three Crore Fortyfive Lacs fortytwo Thousand Five hundred & Eightyfive Only) to be set off against the paid up capital of the Company of Rs. 34,026,470/- (Rupees Three Crore forty Lacs Twentysix Thousand Two Hundred Only).

The Paid up capital of the company post reduction of capital will not exceed, to Rs. 1,701,320 (Seventeen Lacs One Thousand Three Hundred and Twenty only) divided into 170,132 (One Lacs Seventy Thousand One Hundred Thirtytwo) Equity Shares of Rs. 10/- (Ten only) each.

6. FRACTIONAL SHARES ON ACCOUNT OF REDUCTION OF CAPITAL

6.1 The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. For example if shareholder will hold 5.4 shares after reconstruction of capital, it shall be rounded off to 5 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 5.5 shares, it shall be rounded off to 6 shares. For the purpose of rounding off, in case it is required, then the promoters will offer their holdings for reduction to the nearest rounding off.

6.2 Consequently, every shareholder of the Company, whose name appears on the Register of Members on the Record Date, shall receive 5 (five) Equity Share of Rs.10/- (Rupees Ten each only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company.

7. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES

7.1. The said new Equity Shares issued and allotted by the Company will be in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Company .

7.2. The shares to be issued to the members of the Companies shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Company and having same ratio.

7.3. New Equity shares of the Company issued may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) where the shares of Company is listed and / or admitted to trading in terms of the applicable bye-laws and regulations.

7.4. The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities

K.M. Salvi



being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.

7.5. For the purpose of issue of equity shares to the shareholders of the Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Company of such equity shares.

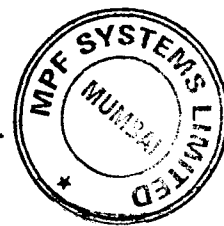
7.6. The Equity Shares to be issued by the Company pursuant to this Reduction of capital, in respect of Equity Shares which are not fully paid up shall also be kept in abeyance.

7.7. The Company, shall issue Equity shares within 90 days from the date of sanction of this scheme by the Hon'ble Court(s) or registration of the order by the Registrar of companies, whichever is later.

8. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid post reduction of capital, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

K.M. Salvi



9. PRE AND POST SHAREHOLDING PATTERN

Category	Particulars	Prior to the Scheme of Arrangement		Scheme Post reduction	
		No. of Shares	% to Total	No. of Shares	% to Total
(A)	1. Promoters & Promoter Group	1889159	55.52%	94458	55.52%
(B)	Public	1513488	44.48%	75674	44.48%
(C)	Non Promoter-Non Public	-	-	-	-
(C1)	Shares Underlying Drs.	-	-	-	-
(C2)	Shares held by the employee trust	-	-	-	-
	TOTAL	3402647	100	170132	100

There shall be no change in the shareholding pattern of the Company.

10. PENDING CONVERTIBLE WARRANTS INTO EQUITY SHARES

There were no convertible warrants in to equity shares pending for allotment in the company.

11. PARTLY PAID UP SHARES

The company does not have any partly paid up shares as on date.

12. DESIGNATED STOCK EXCHANGE

Bombay Stock Exchange Limited (BSE) is the designated Stock Exchange as per the SEBI Circular CIR/CRD/DIL/5/2013.

13. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The company may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the respective High Courts or any authorities under the Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments,

H.M. Salvi



thereof, the Directors of the Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

14. CHANGE OF MANAGEMENT

There will be no change of Management or shareholding of the promoters on accounts of Reduction of capital.

15. CREDITOR'S

The Company has not availed any financial facility from any BANK or FII. The Company obtained NOC from its creditors relating to the Reduction of Capital. The Company has not accepted or renewed any fixed deposits.

16. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS:

This Scheme is specifically conditional upon and subject to:

16.1. The approval of the reduction of capital by the requisite majority of such Classes of persons of Company as may be constructed as per Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.

16.2. The sanctions of the High Court will be obtained under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956, as applicable) and other applicable provisions of the Act, on behalf of the Company.

16.3. Pursuant to this Scheme, the Company shall file the requisite forms with the Registrar of Companies and other statutory authorities, in due course.

17. EFFECTIVE DATE OF THE SCHEME:

This reduction of capital although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.:

17.1. The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

17.2. The date on which all necessary certified copies of the order under section 66 of the Companies Act, 2013 or Section 100 – 104 of the Companies Act, 1956 of the Act are duly filed with the Registrar of Companies and such date shall be referred to as Effective Date for the purpose of the Scheme.

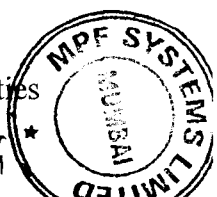
18. REVOCATION OF THE SCHEME

18.1. In the event of any of the said sanctions and approvals referred to in Clause 12 above not being obtained and/or complied with and/or satisfied relating to this reduction of capital or not being sanctioned/approved by the Hon'ble High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before 31.03.2017 or such other date as may be renewed/extended by the Board of Directors of the Company, this reduction of capital shall be deemed to be stand revoked, cancelled and be of no effect.

18.2. Further, the Board of Directors of the Company shall be entitled to revoke, cancel and declare the Reduction of Capital if they feel it is in the best interest of the company or statutorily not feasible to proceed with the reduction of capital.

18.3. In the event of revocation under clauses herein above, no rights and liabilities

K.M. Solvi



whatsoever shall accrue to or be incurred inter se the Company or its respective shareholders or employees or any other person, if any ,and in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case and at such time.

19. APPLICATION TO THE HIGH COURT:

The Company shall make all applications/petitions under Section 66 of the Companies Act, 2013 or Section 100-104 of the Companies Act, 1956, whatever applicable and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Reduction of Capital of the Company and obtain all approvals as may be required under law.

20. STATUTORY COMPLIANCES

Pursuant to this Scheme of reduction, the Company shall file the requisite forms with the Registrar of Companies, Stock Exchanges, SEBI & other Statutory and other authorities.

The Board recommends the reduction of capital. The Directors are interested to extent of their shareholding just like any other shareholder. The Company is only listed at BSE. As on date the Department of Company affair had not notified the applicability of Section 66 of the Companies Act, 2013 , hence till such date Section 100 – 104 of the Companies Act, 1956 will be applicable to this reduction of capital and the rules framed there under. The Company shall also with make all applications/petitions under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Act to the High Court of Judicature at Mumbai, Maharashtra for sanctioning of this Scheme under the Provisions of Act and obtain all approvals as may be required under law.

K.M. Salu

A circular stamp with the text "MPP INDUSTRIES LIMITED" around the perimeter and a star in the center. The stamp is partially overlapping the handwritten signature "K.M. Salu".