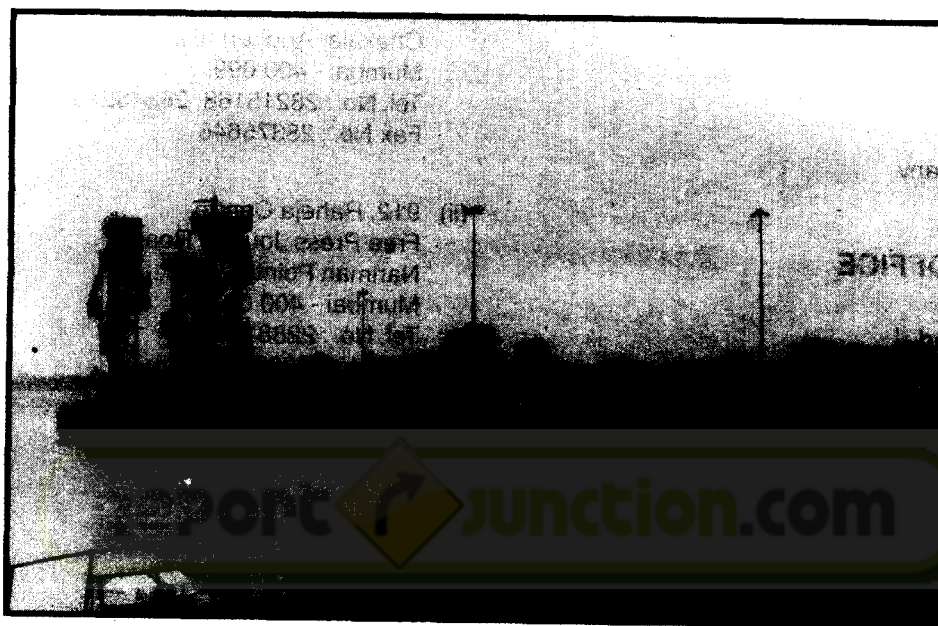




Mather + Piatt
SYNONYMOUS WITH QUALITY

Mather and Platt Fire Systems Limited



Fire Protection System by MPFSL at New Mangalore Port Trust, Mangalore

10th Annual Report 2002-2003

Mather and Platt Fire Systems Limited**BOARD OF DIRECTORS**

Ms. Komal C. Wazir	Director
Mr. Niranjana M. Thakur	Director
Mr. H. N. Nanani	Director
Mr. P. M. Nene	Director
Mr. Suresh Dadlani	Director

COMPANY SECRETARY

Mr. Pradeep K. Purwar

AUDITORS

M/s. Lodha & Company

REGISTERED OFFICE

Chinchwad Works,
Mumbai - Pune Road,
Chinchwad (E),
Pune - 411 019.

CORPORATE OFFICE

Dorr-Oliver House,
Chakala, Andheri (E),
Mumbai - 400 099.

WORKS

5/5 & 20A,
P. N. Kothari Industrial Estates,
200, L. B. S. Marg,
Bhandup (W),
Mumbai - 400 078.

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Sharepro Services

(i) Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai - 400 099.
Tel. No. : 28215168, 28348218
Fax No. : 28375646

(ii) 912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai - 400 021.
Tel. No. : 22881568/69
Fax No. : 22825484

CONTENTS

Particulars	Page No.
Notice	1
Directors' Report	3
Management Discussion and Analysis Report	5
Corporate Governance Report	6
Auditors' Report	10
Balance Sheet	12
Profit and Loss Account	13
Schedules to Financial Statements	14

Members or their Authorised Representatives / Proxies are requested to bring their copies of the Annual Report to the meeting.

Mather and Platt Fire Systems Limited**Notice**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Mather and Platt Fire Systems Limited will be held on Monday, the 1st day of September, 2003 at 11.30 a.m. at the Poonam Hotel, 629/3, Deccan Gymkhana, Shivaji Nagar, Pune - 411 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Dadlani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. H. N. Nanani be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

Pradeep K. Purwar
Company Secretary

Registered Office :
Chinchwad works,
Mumbai - Pune Road,
Chinchwad (E),
Pune - 411 019.

Date : 30th June, 2003.

NOTES :

1. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is appended to the Notice.
2. In terms of Clause 49 VI.A of the Listing Agreement with the Stock Exchanges, the details of Mr. Suresh Dadlani, Director who retires by rotation and being eligible offers for reappointment, are furnished below:

Mr. Suresh Dadlani, aged 53 years, is a Bachelor of Engineering (B.E.) with Post Graduate Diploma in Management Studies from Bombay University. He has also attended highest level Advance Management Programme in Harvard Business School, U.S.A. Mr. Suresh Dadlani has nearly 32 years of work experience at various management level in reputed companies. Presently, Mr. Suresh Dadlani is Managing Director of Hindustan Dorr-Oliver Limited and Mather and Platt Pumps Limited.

Other Directorships (As on 30th June, 2003):

- (i) Hindustan Dorr-Oliver Limited
- (ii) Shaw Wallace & Company Limited
- (iii) Mather and Platt (India) Limited
- (iv) Mather and Platt Pumps Limited
- (v) Falcon Tyres Limited
- (vi) Harshit Finlease & Investments Limited
- (vii) Phonegarage.com India Private Limited
- (viii) Primo Distributors Private Limited
- (ix) Primo Enterprises Private Limited

Committee Membership in other companies (As on 30th June, 2003)

- | | |
|--|--|
| (i) Hindustan Dorr-Oliver Limited | - Shareholders' / Investors' Grievance Committee - Member |
| (ii) Shaw Wallace & Company Limited | - Audit Committee - Alternate Chairman
Shareholders'/Investors' Grievance Committee - Member
Remuneration Committee - Member |
| (iii) Mather and Platt (India) Limited | - Audit Committee - Member |
| (iv) Falcon Tyres Limited | - Audit Committee - Member
Remuneration Committee - Member |

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 25th August, 2003 to Monday, 1st September, 2003 (both days inclusive).
4. Members are requested to notify any change in their addresses specifying full address in block letters with pin code quoting their Folio No. directly to the Company's Registrar & Share Transfer Agents - M/s. Sharepro Services.
5. M/s. Lodha and Company, Chartered Accountants, Mumbai the retiring Statutory Auditors, have vide their letter dated 23rd June, 2003 signified their willingness to be reappointed as Statutory Auditors at the ensuing Annual General Meeting and have confirmed that their reappointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.
6. Members desirous of obtaining any information pertaining to the Accounts may forward such queries in writing to the Deputy General Manager - Finance at the Company's Registered Office / Corporate Office atleast 10 days prior to the meeting in order to keep the information ready to the extent possible.
7. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE VALID SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

10th Annual Report 2002-2003**Explanatory Statement**

(Pursuant to Section 173 of The Companies Act, 1956 in respect of Item No. 4 of the accompanying Notice dated 30th June, 2003)

Item No. 4:

The Board of Directors of the Company at its Meeting held on 14th December, 2002 appointed Mr. H. N. Nanani (hereinafter referred to as "Mr. Nanani") as an Additional Director on the Board of the Company. Pursuant to Section 260 of the Companies Act, 1956 ("the Act") read together with Article 113 of the Articles of Association of the Company, Mr. Nanani holds office upto the date of the ensuing Annual General Meeting. Notice in writing has been received from a member under Section 257 of the Act along with the prescribed deposit signifying his intention to propose Mr. Nanani as a candidate for appointment as a Director of the Company. Mr. Nanani will be liable to retire by rotation pursuant to Section 255 of the Act.

Mr. Nanani, aged 54 years, is a qualified Chemical Engineer and has vast experience at senior management level in various companies in India and abroad. Presently, he is Chief Operating Officer of Jumbo Group of Companies in India and Sri Lanka. Directorships and Committee Membership / Chairmanship held by Mr. Nanani in other companies are as under :

Name of other Companies in which Mr. Nanani is a Director: (As on 30th June, 2003)

- (i) Falcon Tyres Limited
- (ii) Hindustan Dorr-Oliver Limited
- (iii) Shaw Wallace Distilleries Limited
- (iv) Mather and Platt Pumps Limited
- (v) Narmada Gelantines Limited
- (vi) Gordon Woodroffe Limited
- (vii) Gordon Woodroffe Logistics Limited
- (viii) SKOL Breweries Limited
- (ix) Mysore Breweries Limited
- (x) Shaw Wallace & Co. Limited
- (xi) New Video Private Limited
- (xii) Orson Video Private Limited
- (xiii) Ramanretti Investments & Trading Co. Limited

Chairmanship / Membership of the Committees of Directors of other companies of which Mr. Nanani is a Director (As on 30th June, 2003)

- (i) Falcon Tyres Limited – Audit Committee - Chairman
Remuneration Committee - Member
- (ii) Hindustan Dorr-Oliver Limited – Shareholders'/ Investors' Grievance Committee – Chairman
Remuneration Committee – Member
- (iii) Shaw Wallace Distilleries Limited – Audit Committee – Member
- (iv) Mather and Platt Pumps Limited – Audit Committee – Chairman
Remuneration Committee – Chairman
- (v) Narmada Gelantines Limited – Remuneration Committee – Member
- (vi) SKOL Breweries Limited – Audit Committee – Member
Shareholders' / Investors' Grievance Committee – Member

The Board is of the opinion that the continued association of Mr. Nanani will be beneficial to the Company and recommends the resolution at Item No. 4 for approval by the Members.

Except Mr. Nanani, none of the Directors of the Company is concerned or interested in the passing of the Resolution at Item No. 4.

By Order of the Board of Directors

Pradeep K. Purwar
Company Secretary

Registered Office :
Chinchwad Works,
Mumbai - Pune Road,
Chinchwad (E),
Pune - 411 019.

Date : 30th June, 2003.

Mather and Platt Fire Systems Limited**Directors' Report**

To the Members,

Your Directors present their 10th Annual Report together with the Audited Financial Statements for the year ended 31st March 2003.

Summarised Financial Results

	Year ended 31.3.2003 Rupees	Year ended 31.3.2002 Rupees
Loss before Tax	54,460,794	12,037,231
Less : Deferred Tax Credit	19,956,449	2,132,977
Loss after Tax	34,504,345	9,904,254
Less : Transfer from General Reserve	8,216,660	9,904,254
Balance of loss carried forward	26,287,685	—

Dividend

In view of the loss, your Directors regret their inability to declare any dividend for the year ended 31st March, 2003.

Transfer of Company's Equity Shares

During the year under review, Mather and Platt (India) Limited acquired 51% paid-up equity share capital of your Company from Mather and Platt II Limited, Mauritius and consequently the Company has become subsidiary of Mather and Platt (India) Limited.

Operations and Future Outlook

The Company achieved Net Income of Rs. 159,218,942 from Sales and Service as against the Net Income of Rs. 127,159,401 in previous year, viz., 2001-2002. However, the operation of the Company resulted in loss after tax of Rs. 34,504,345. In order to have competitive edge, the Company is gearing up to tie-up with the companies of international repute.

With major focus on Environment, Health and Safety, the opportunities for fire fighting and protection systems are growing. The major thrust area include power plants, petrochemicals and refineries and other process industries. The future outlook is encouraging.

Directorate

Mr. H. N. Nanani was appointed as an Additional Director on the Board of the Company with effect from 14th December, 2002. He holds the office till the ensuing Annual General Meeting. Notice has been received from a Member along with requisite deposit, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature as Director at the ensuing Annual General Meeting. The Board

is of the view that the Company will benefit from his continued association with the Company.

Mr. Suresh Dadlani resigned as the Managing Director of the Company with effect from 14th December, 2002, but continues to be a Director.

Mr. Satish G. Pillai resigned as a Director of the Company with effect from 1st April, 2003.

Mr. Suresh Dadlani retires by rotation and being eligible offers himself for reappointment.

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

A statement showing particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, read with Section 217 (1)(e) of the Companies Act, 1956 is annexed to this report and marked as Annexure I.

Industrial Relations

The Company continued to have cordial and harmonious relations with its employees.

Particulars of Employees

The provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable as there are no employees, particulars of whom are required to be reported.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- in the preparation of Annual Accounts, the applicable accounting standards had been followed;
- the Directors had 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 for the financial year ended 31st March, 2003 and of the loss of the Company for that year ;
- the Directors had, as far as possible, taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability;
- the Directors had prepared the Annual Accounts on a going concern basis.

10th Annual Report 2002-2003**Management Discussion and Analysis Report**

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is given separately in the Annual Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are given separately in the Annual Report.

Auditors

M/s. Lodha & Company, Chartered Accountants, the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

In regard to the comments of the Auditors in their Report on the notes to Accounts, the same are self-explanatory and do not call for any further explanation.

Acknowledgement

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

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

On behalf of the Board of Directors

H. N. Nanani
Director

Suresh Dadlani
Director

Mumbai, 30th June, 2003

Annexure I – Directors' Report

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Energy conservation is an on going process in the organization. Although the energy consumption in the manufacturing activities is nominal, the following actions are taken for energy conservation :

- (i) The process of manufacturing is redefined to utilize machine tools to optimize energy consumption.
- (ii) Close monitoring is carried out in the fabrication process where generators are used so that the idle time is minimized.
- (iii) Continuous efforts are made to bring awareness of energy saving at all levels of site activities.

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**1. Activities**

Continuous efforts are being made to improve the quality of products and services through in-house R & D efforts.

A self-resetting type of deluge valve has been developed successfully in-house and the same is now in use.

2. Benefits derived

The above referred R & D activities have resulted in following:-

- (a) A new range of deluge valves has been added to the list of products.

- (b) A cost effective installation can be designed by Hydraulic calculations through Computer.
- (c) Competitive offers can be provided to the clients in respect of fire protection system network.
- (d) Competitive products are also offered indigenously against imported ones.

3. Future Plan of Action

Improvement of existing products as well as development of new products will be taken up.

4. Technology absorption, adoption and innovation

As already outlined above, assimilation and adoption of technology for the products in all divisions is an ongoing process.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2002-03 Rupees	2001-2002 Rupees
Foreign Exchange earned	Nil	Nil
Foreign Exchange outgo	44,365,821	14,71,477

On behalf of the Board of Directors

H. N. Nanani
Director

Suresh Dadlani
Director

Mumbai, 30th June, 2003

Mather and Platt Fire Systems Limited**Management Discussion and Analysis Report****(A) Industry Structure and developments**

Mather and Platt Fire Systems Limited (MPFSL) has its installations in all segments of Core Industries in India. In spite of general downturn in the Indian industry, the total market in the fire-protection industry has been growing from year to year in absolute terms. The thrust area for years to come will be in the Power, Petroleum, Oil Exploration, Construction Industry and Exports.

(B) Outlook on opportunities

The "Mather and Platt" Brand is well known in the field of Fire Protection System not only in India but also in countries outside India. MPFSL is yet to exploit its brand reputation in selective export market in the Southeast Asia and Gulf and Far East countries where some of its group companies are already established their operation.

With major focus on Environment, Health and Safety, the opportunities for fire fighting and protection systems are growing. The major thrust area include power plants, petrochemicals and refineries and other process industries. The future outlook is encouraging.

(C) Outlook on concerns

Some foreign players have entered the market and some local player in unorganised sector are posing challenges. MPFSL is in the process of reworking its strategy to realise its full potential and to achieve the same, by adopting superior technology and optimum utilisation of other resources.

(D) Segment-wise performance

The present market share of MPFSL is approximately 10% which basically covers Power, Aluminium Petrochemical Sector and Ports. There is enough potential for growth.

(E) Risks and concerns

Cautious steps have to be considered in light of exposure to overseas market which exhibit fair amount of risks associated with every deal. Timely execution of projects would be essential feature of these transactions.

(F) Internal Control System and its adequacy

All projects and related orders for equipment are being monitored by a specially created group with respect to timely delivery coupled with quality standards enforced by the company. Costs are being regularly monitored to achieve / improve estimated margins.

(G) Financial performance

The Company achieved Net Income of Rs. 159,218,942 from Sales and Service as against the Net Income of Rs. 127,159,401 in previous year, viz., 2001-2002. However, the operation of the Company resulted in loss after tax of Rs. 34,504,345. In order to have competitive edge, the Company is gearing up to tie-up with the companies of international repute.

(H) Material Development in Human Resources/ Industrial Relations

The Company continued to have cordial and harmonious relations with its employees.

(I) Caution Statement

Certain Statements given above may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisage in terms of the future performance and outlook.

10th Annual Report 2002-2003

Corporate Governance Report

(For the Financial Year ended 31st March, 2003)
(Pursuant to Clause 49 of the Listing Agreement)

1. Corporate Governance Philosophy at Mather and Platt Fire Systems Limited

Mather and Platt Fire Systems Limited ("the Company") has consistently practiced good corporate governance. The Company believes in conducting its affairs in a fair and transparent manner and in meeting its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

Your Directors are happy to inform you that your Company's existing practices and policies are in conformity with the requirements stipulated by Stock Exchanges and SEBI.

2. Board of Directors

The Composition of the Board

The Board of Directors of the Company comprises of the following Directors, five of whom are independent :

Sr. No.	Name	Category	*No. of Directorships in other companies	No. of membership / chairmanship in Committees of other companies		
				Membership	**Chairmanship	Total
1.	Ms. Komal C. Wazir	Non- Executive Director	11	6	3	9
2.	Mr. Niranjana M. Thakur	Non- Executive & Independent Director	9	6	1	7
3.	Mr. H. N. Nanani	Non-Executive & Independent Director	8	4	4	8
4.	Mr. P. M. Nene	Non-Executive & Independent Director	10	5	Nil	5
5.	Mr. Suresh Dadlani	Non- Executive & Independent Director	6	7	Nil	7
6.	Mr. Satish G. Pillai (Resigned with effect from 1 st April, 2003)	Non-Executive & Independent Director	4	4	2	6

* Does not include Alternate Directorships, Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

** Does not include alternate chairmanship

The Board meets at least once in a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact other business.

Attendance of each Director at Board Meetings and last Annual General Meeting

During the year 2002-2003, Six Board Meetings were held – on 22nd April, 2002, 29th June, 2002, 31st July, 2002, 24th September, 2002, 14th December, 2002, and 30th January, 2003. The last Annual General Meeting of the Company was held on 24th September, 2002. The following are the details of attendance of Directors at Board Meeting and at the Annual General Meeting held during the year:

Name of the Directors	No. of Board Meetings held during the tenure of the Director in 2002-03	No of Board Meetings attended	Attended Last AGM
Ms. Komal C. Wazir	6	4	Yes
Mr. Niranjana M. Thakur	6	4	No
Mr. H. N. Nanani	2	2	N.A.
Mr. P. M. Nene	6	4	No
Mr. Suresh Dadlani	6	5	Yes
*Mr. Satish G. Pillai	6	5	Yes

* Resigned as a Director of the Company with effect from 1st April, 2003.

3. Audit Committee

(i) The Audit Committee comprises of the following non-executive members of the Board:

- (a) Mr. H. N. Nanani, Chairman
- (b) Mr. Niranjana M. Thakur, Member
- (c) Mr. P. M. Nene, Member

*(d) Mr. Satish G. Pillai, Member

The Company Secretary of the Company acts as Secretary of the Committee.

The Representatives of the Internal and Statutory Auditors attend the Meeting of the Committee as and when invited.

(ii) The broad terms of reference of the Audit Committee include :

- a. Overseeing the Company's financial reporting process.
- b. To review financial statements and pre-publication announcements before submission to the Board.
- c. Recommending the appointment and removal of external auditors, fixation of audit fee.
- d. To ensure compliance of internal control system and action taken on internal audit report.
- e. To hold periodical discussion with statutory auditors on the scope and content of audit.
- f. To review the Company's financial and risk Management Policies.
- g. To apprise the Board on the impact of accounting policies, accounting standards and legislation.

(iii) During the year, three Audit Committee Meetings were held on 29th June, 2002, 14th December, 2002 and 30th January, 2003.