



*Annual Report*  
**2003-04**

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**Annual Report 2003-2004**

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**Board of Directors**

Mr. Ravindra Pal Bhatia  
*Executive Director*

Mr. Suresh Dadlani

Mr. P. M. Nene

Mr. H. N. Nanani

**Company Secretary**

Mr. Sanjay Kumar Mutha

**Auditors**

M/s. Lodha & Company

**Registered & Corporate Office**

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

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**Registrar & Share Transfer Agents**

M/s. Sharepro Services  
3rd Floor, Satam Industrial Estate,  
Cardinal Gracious Road,  
Chakala, Andheri (East),  
Mumbai - 400 099.

## NOTICE

**NOTICE** is hereby given that the Eleventh Annual General Meeting of the Members of Mather and Platt Fire Systems Ltd. will be held on Monday, 26th day of July, 2004 at Hotel Kalasagar, Plot No. P-4, Mumbai - Pune Road, Kasarwadi, Pune-411 034 at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. M. Nene, who retires by rotation and being eligible, offers himself for reappointment.
3. 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:

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

**"RESOLVED THAT** Mr. Ravindra Pal Bhatia, who was appointed as an Additional Director of the Company with effect from 20th November, 2003 pursuant to Section 260 of the Companies Act, 1956 and Article 132 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose his candidature as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation pursuant to Section 255 of the Companies Act, 1956."

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

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 316(2) and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company and subject to such approvals as may be required, approval be and is hereby accorded to the appointment of Mr. Ravindra Pal Bhatia as the Executive Director of the Company for a period of 3 years with effect from 20th November, 2003 without any remuneration.

**RESOLVED FURTHER THAT** subject to the superintendence, control and supervision of the Board, the Executive Director shall have the substantial powers of the management of the day-to-day affairs of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from any banks, financial institutions, firms, bodies corporate or any other

persons from time to time such sums of money as they may deem fit / requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which moneys to be borrowed by the Board of Directors shall not exceed the aggregate of the paid-up capital and free reserves of the company by more than the sum of Rs. 10 crore at any time."

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

Sanjay Kumar Mutha  
Company Secretary

### Registered Office:

Chinchwad Works  
Mumbai-Pune Road  
Chinchwad, Pune 411 019  
Dated: 16th June, 2004

### NOTES:

1. The Register of Members/Beneficial Owners and the Share Transfer Registers relating to the Equity Shares of the Company will remain closed from 20th July, 2004 to 26th July, 2004 (both days inclusive).
2. **A MEMBER/BENEFICIAL OWNER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD. 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 FORTYEIGHT HOURS BEFORE THE MEETING.**
3. Mr. P. M. Nene, Director of the Company retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment. As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume and other details of Mr. P. M. Nene are given as under:

Mr. P.M. Nene, aged 49 years, is B.E. (Hons.) and Master in Business Administration and having over 27 years of experience in the fields of Finance, Accounts and Corporate affairs at various levels in different organizations in India and abroad. He has been associated with the Jumbo Group in various capacities. He is on the Board and member of Committees of the following other companies:-

Falcon Tyres Ltd.(Chairman of Remuneration Committee), Gordon Woodroffe Ltd. (Member of Remuneration Committee), Gordon Woodroffe Logistics Ltd., Mysore Breweries Ltd. (Member of Audit Committee), Mather and Platt Pumps Ltd.(Chairman of Audit Committee and Member of Remuneration Committee), Mather and Platt (India) Ltd. (Member of Audit Committee), Shaw Wallace

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& Company Ltd., Shaw Wallace Breweries Ltd. (Member of Audit Committee), Shaw Wallace Distilleries Ltd. (Member of Audit Committee), Shaw Wallace Financial Services Ltd., SKOL Breweries Ltd. (Chairman of Audit Committee), Narmada Gelatines Ltd., India Tyre and Rubber Company India Ltd., Rochees Breweries Ltd., New Video Pvt. Ltd.

4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of items of Special Business is annexed hereto.
5. Members/Beneficial Owners 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 Agents, M/s. Sharepro Services, at Satam Industrial Estate, 3rd floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, in case of shares held in physical form.

6. Any Member /Beneficial Owner 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/Beneficial Owners 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 Agents, 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.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT****PURSUANT TO SUB-SECTION (2) OF THE SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.****ITEM NOS. 4 and 5**

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Ravindra Pal Bhatia has been appointed as an Additional Director of the Company with effect from 20th November, 2003 and holds the office upto the date of ensuing Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956 and Article 132 of the Articles of Association of the Company, a notice along with a deposit of Rs. 500/- has been received from a member proposing his candidature for appointment as a Director of the Company at the ensuing Annual General Meeting.

The Board of Directors of the Company at its Meeting held on 20th November, 2003 by unanimous resolution has appointed Mr. Bhatia as the Executive Director of the Company for a period of 3 years with effect from 20th November, 2003 without any remuneration.

Mr. Bhatia, aged 52 years, is a B.E. (Mech.) and is having about 30 years' experience in public and private sector companies. Before joining the Company, he has worked as Managing Director of a reputed company.

Presently, he is also the Executive Director of Mather and Platt Pumps Ltd. and member of Shareholders'/ Investors' Grievance Committee of the Company and Mather and Platt Pumps Ltd.

The Resolution at item No. 5 is proposed to be passed as a Special Resolution under Sections 198, 269, 309, 316(2) and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Board is of the opinion that the continued association of Mr. Bhatia will be beneficial to the Company and recommends the resolutions at Item Nos. 4 and 5 for approval by the Members.

The above may be treated as an abstract of the terms of appointment of Mr. Bhatia as an Executive Director under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Bhatia may be deemed to be interested in the passing of the resolution at Item Nos. 4 and 5.

**ITEM NO. 6**

The Company requires funds to meet the working capital requirements to complete the existing and future projects undertaken or to be undertaken by the Company from time to time.

The Company intends to borrow money, apart from temporary loans obtained from the company's bankers in the ordinary course of business, which may exceed the aggregate of the paid-up capital and free reserves of the Company by more than the sum of Rs. 10 crore at any time from any banks, financial institutions, firms, bodies corporate or any other persons from time to time for the purpose of the business of the Company.

Pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors may, with the consent of the Company in general meeting, borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

The Board recommends the resolution at Item No. 6 for approval by the Members.

None of the Directors may be deemed to be interested in the passing of the resolution at Item No. 6.

By Order of the Board  
For Mather and Platt Fire Systems Ltd.

Sanjay Kumar Mutha  
Company Secretary

**Registered Office:**

Chinchwad Works  
Mumbai-Pune Road  
Chinchwad, Pune 411 019

Dated: 16th June, 2004

## DIRECTORS' REPORT

To the Members,

Your Directors present their 11<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended 31st March, 2004.

### Summarised Financial Results

	Rupees in Lakh	
	Year ended 31.3.2004	Year ended 31.3.2003
Loss for the year before Tax	452	545
Deferred Tax Assets		
Reversed / (Recognised)	260	(200)
Prior period Adjustments	28	—
Loss for the year after Tax	740	345
Less : Transfer from General Reserve	—	82
Balance of loss carried forward	1003	263

### Review of Operations

The Company has been focusing its resources on successfully completing the existing obligations with some of the major customers. Accordingly, no new orders were taken up for execution during the year under review.

The Company achieved Net Income from Sales and Service of Rs.702.47 Lakh as against the Net Income of Rs. 1592.18 Lakh in the previous year. However, the operations of the Company resulted in loss after tax of Rs. 739.72 Lakh.

During the year under review, the company has discontinued its manufacturing activities at Bhandup, Mumbai. However, the Company is carrying on its activities of design, development, installation and servicing of fire securities systems.

### Dividend

In view of the loss, your Directors regret their inability to declare any dividend for the year ended 31st March, 2004.

### Directors

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

Mr. Ravindra Pal Bhatia was appointed as an Additional Director with effect from 20<sup>th</sup> November, 2003 and holds the office till the ensuing Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received from a member, proposing his candidature for appointment as a Director at the ensuing Annual General Meeting. Mr. Ravindra Pal Bhatia was also appointed as an Executive Director of the Company for a period of 3 years w.e.f. 20<sup>th</sup> November, 2003.

Ms. Komal Chhabria Wazir resigned as a Director of the Company w.e.f. 13<sup>th</sup> April, 2004 and Mr. Niranjan Thakur resigned as a Director of the Company w.e.f. 16<sup>th</sup> June, 2004. The Board places on record its appreciation for the guidance provided to the Company during their tenure.

### 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, 2004 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.

### 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.

With regard to the observations of the Auditors in their Report on the audited Financial Statements, though the accumulated losses of the Company exceed its net worth as at the close of the year, the accounts have been prepared on a going concern basis as the operations of the Company are continuing and the management has taken effective steps to ensure execution of existing contracts in hand, reduce costs and has also taken steps for recovering its dues.



**Annual Report 2003-2004****Conservation of Energy, Research and Development, Technology Absorption etc.**

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption do not apply to the Company.

The particulars relating to Foreign Exchange Earnings and Outgo are as under:

	Rupees in Lakh	
	2003-04	2002-03
Foreign Exchange earned	Nil	Nil
Foreign Exchange outgo	2	444

**Industrial Relations**

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

**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

**Ravindra Pal Bhatia**      **H. N. Nanani**  
Executive Director      Director

Mumbai  
16<sup>th</sup> June, 2004

**Management Discussion and Analysis Report****Industry Structure and developments**

Mather and Platt Fire Systems Limited (MPFSL) has its installations in all segments of Core Industries in India. With the growth of the Indian industry, the total market of the fire-protection industry has been growing from year to year.

**Opportunities**

The "Mather and Platt" Brand is well known in the field of Fire Protection System in India. With major focus on Environment, Health and Safety, the opportunities for fire fighting and protection systems are growing. The major thrust areas include power plants, petrochemicals and refineries and other process industries. The future outlook is encouraging.

**Risks and Concerns**

There is competition from foreign players, who have entered the Indian market as also local players in the unorganised sector. Timely execution of projects would be a quintessential feature for success.

**Segment-wise performance**

The Company supplies fire protection systems to various industries such as Power, Petrochemical, Port Trust and Aluminium.

**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 controlled and monitored to achieve or improve the estimated margins.

**Financial performance**

The Company achieved Net Income from Sales and Service of Rs.702.47 Lakh as against the Net Income of Rs. 1592.18 Lakh in the previous year. However, the operations of the Company resulted in loss after tax of Rs. 739.72 Lakh.

**Material Development in Human Resources/Industrial Relations**

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

**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 envisages in terms of the future performance and outlook.

## Corporate Governance Report

### 1. Company philosophy on Corporate Governance:

Mather and Platt Fire Systems Ltd. ("the Company") has been practicing good corporate governance. The Company believes in adopting such corporate actions that balance the interests of all stakeholders and satisfy the tests of accountability, transparency and fair play and the Company believes that its systems and actions must be dovetailed for enhancing the performance and shareholders value in the long term.

Your Directors are happy to inform that your Company's existing practices and policies are in conformity with the requirements stipulated by Stock Exchanges and Securities and Exchange Board of India.

### 2. Board of Directors:

The strength of your Company's Board as on 31<sup>st</sup> March, 2004 was six Directors, comprising of one non-retiring promoter Director, four non-executive Directors and one Executive Director, all of whom are independent Directors.

Five Board Meetings were held during the period 1<sup>st</sup> April, 2003 to 31<sup>st</sup> March, 2004, on the following dates: 22<sup>nd</sup> May, 2003, 30<sup>th</sup> June, 2003, 22<sup>nd</sup> July, 2003, 20<sup>th</sup> November, 2003 and 27<sup>th</sup> January, 2004.

The attendance at the Board Meetings and at the last Annual General Meeting and the number of other Directorships and Committee Memberships of the Directors is given below:

Name of the Director	Category*	No. of Board Meetings attended	Attendance at last Annual General Meeting	Number of Directorships	Number of Committee Memberships/ Chairmanship
Ms. Komal Chhabria Wazir	Promoter Director	4	No	11	9/3
Mr. Niranjana Thakur	NED	4	No	13	8/1
Mr. P. M. Nene	NED	5	No	14	9/3
Mr. Suresh Dadlani	NED	4	Present	5	9/0**
Mr. H. N. Nanani	NED	4	Present	11	10/5
Mr. Ravindra Pal Bhatia	Executive Director	1	N.A.	1	1/0

\* NED - Non-Executive Director,

\*\* Does not include alternate Chairmanship

#### Notes :

1. Mr. Ravindra Pal Bhatia was appointed as Executive Director for a period of three years w.e.f. 20<sup>th</sup> November, 2003.
2. Ms. Komal Chhabria Wazir resigned as a Director w.e.f. 13<sup>th</sup> April, 2004.
3. Mr. Niranjana Thakur resigned as a Director w.e.f. 16<sup>th</sup> June, 2004.

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

### 3. Audit Committee:

Your Company has an Audit Committee comprising of three non-executive and independent Directors, viz., Mr. P. M. Nene, Mr. Suresh Dadlani and Mr. Niranjana Thakur. Mr. P. M. Nene is the Chairman of the Audit Committee.

During the financial year ended 31<sup>st</sup> March, 2004, three Audit Committee meetings were held on 30<sup>th</sup> June, 2003, 20<sup>th</sup> November, 2003 and 22<sup>nd</sup> March, 2004.

The attendance at the Committee meetings is as under:

Name of the Director	No. of meetings attended
Mr. P. M. Nene	3
Mr. Niranjana Thakur	2
Mr. Suresh Dadlani	3

The terms of reference of the Audit Committee covers the areas mentioned in the Listing Agreement and also other terms as may be referred to it by the Board of Directors.

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

The representatives of the Internal and Statutory Auditors attended the Meetings of the Committee.

### 4. Remuneration of Directors

None of the Directors were paid sitting fess during the year ended 31<sup>st</sup> March, 2004.

Service contract/Notice period :

Mr. Ravindra Pal Bhatia was appointed as Executive Director for a period of three years w.e.f. 20<sup>th</sup> November, 2003 without any remuneration. Except Ms. Komal Chhabria Wazir, who was a Non-retiring Director, all other Directors are liable to retire by rotation.

The Company has not given any stock options or performance linked incentive to its Directors.

### 5. Shareholders' / Investors' Grievance Committee:

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

- (a) Ms. Komal C. Wazir - Chairperson
- (b) Mr. Niranjana M. Thakur- Member
- (c) Mr. Ravindra Pal Bhatia - Member

The Committee met 20 times during the year ended 31<sup>st</sup> March, 2004 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 has been designated as the Compliance Officer by the Board.

As informed by the Registrar & Transfer Agents, the total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31<sup>st</sup> March, 2004 were 36. There were no pending complaints as on 31<sup>st</sup> March, 2004.