



# **MATHER AND PLATT FIRE SYSTEMS LIMITED**

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## **Annual Report 2007**

**MATHER AND PLATT FIRE SYSTEMS LIMITED**

**Board of Directors**

Chairman     Mr. Peter Wurzbacher  
Mr. Jerome Perrod.  
Mr. Otto Northe  
Mr. P. M. Nene  
Mr. Kiran Malhotra  
Mr. Bomi Daruwala  
Mr. Ravindra Pal Bhatia  
Mr. Shailendra Jha

**Company Secretary**     Mr. Amol Kulkarni

**Auditors**     M/s. Lodha & Company

**Banker**     HSBC

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

**Share Transfer Agent**     Sharepro Services (I) Pvt. Ltd.  
Satam Industrial Estate, 3<sup>rd</sup> Floor,  
Above Bank of Baroda,  
Cardinal Gracious Road,  
Chakala, Andheri (East),  
Mumbai - 400 099.

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**NOTICE**

**NOTICE** is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of Mather And Platt Fire Systems Limited will be held on Saturday, 26<sup>th</sup> April, 2008 at Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune – 411034 at 11.00 a.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> December, 2007 and the Profit and Loss Account for the financial year ended on that date together with the reports of the Directors and Auditors thereon.
  2. To appoint a Director in place of Mr. Otto Northe, who retires by rotation and being eligible, offers himself for re-appointment.
  3. To appoint a Director in place of Mr. Kiran Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
  4. To appoint a Director in place of Mr. Bomi Daruwala, who retires by rotation and being eligible, offers himself for re-appointment.
  5. 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.
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 reappointment is given in Annexure I hereto.
  4. 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 Satam Industrial Estate, 3<sup>rd</sup> floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, in case of shares held in physical form.
  5. Any member 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.
  6. Members or their Authorised Representatives/ Proxies are requested to bring their copies of Annual Report at the meeting.
  7. 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.
  8. 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.

By Order of the Board of Directors  
For Mather And Platt Fire Systems Limited

Place : Pune

**Amol Kulkarni**

Date : 12<sup>th</sup> February, 2008

Company Secretary

**NOTES:**

1. The Register of Members/Beneficial Owners and the Share Transfer Registers of the Company will remain closed from 21<sup>st</sup> April, 2008 to 26<sup>th</sup> April, 2008 (both days inclusive).

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## ANNEXURE I TO THE NOTICE

### BRIEF RESUME AND OTHER DETAILS OF THE DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

Name	Mr. Otto Northe	Mr. Kiran Malhotra	Mr. Bomi Daruwala
Date of Birth	01.10.1952	14.11.1945	19.03.1964
Age (Years)	55	62	43
Qualifications and experience	Graduate in Economics with 24 years experience in the field of finance and has worked as Chief Financial Officer in reputed international companies. He is also working as Chief Financial Officer – Asia at WILO China Ltd.	Mechanical Engineer with 32 years experience in the field of marketing and management in reputed companies. He is also a Managing Director of Hoerbiger India Pvt. Ltd.	Commerce & law graduate and a Chartered Accountant as well as Cost Accountant with 20 years experience in the legal field, especially advisory in the matters of joint ventures, technology transfers, corporate restructuring, mergers and acquisitions, project finance and real estate, etc. He is associated as partner with M/s. Vaish Associates, corporate tax and business advisory law firm.
Directorships held in other companies (excluding foreign companies)	Mather And Platt Pumps Ltd.	Mather And Platt Pumps Ltd., Hoerbiger India Pvt. Ltd., Hoerbiger Drive Technology India Pvt. Ltd.	Mather And Platt Pumps Ltd., Liquid Controls India Pvt. Ltd.
Memberships / Chairmanships of Committees in the Company	Member of Audit Committee	Alternate Chairman of the Audit Committee	Member of Audit Committee
Memberships / Chairmanships of Committees in other companies (excluding foreign companies)	Member of the Audit Committee – Mather And Platt Pumps Ltd.	Alternate Chairman of the Audit Committee, Chairman of Shareholders & Investors Grievance Committee and Member of Remuneration Committee – Mather And Platt Pumps Ltd.	Member of the Audit Committee, Shareholders & Investors Grievance Committee and Remuneration Committee – Mather And Platt Pumps Ltd.
Shareholding in the Company	NIL	NIL	NIL

## DIRECTORS' REPORT

Dear Members,

Your Directors present 15<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> December 2007.

### SUMMARISED FINANCIAL RESULTS

	(Rs. in Millions)	
	Year ended 31.12.2007	Year ended 31.12.2006
Sales & Services	3.3	7.1
Other Income	0.7	0.7
Profit / (Loss) before Interest, Depreciation and Tax	2.1	4.1
Less : Interest	1.6	1.9
Depreciation	-	-
Profit before Tax	0.5	2.2
Profit after Tax	0.5	2.2
Balance Profit / (Loss) brought forward from previous year	(104.7)	(106.9)
Balance of Loss	(104.2)	(104.7)
Amount received from parent company for implementation of the Scheme of Arrangement with unsecured creditors	9.0	N.A.
Reduction of principal value of liabilities arising out of the said Scheme.	17.3	N.A.
Net Accumulated Loss carried to Balance Sheet	(77.9)	N.A.

### REVIEW OF OPERATIONS

As in the previous year, the activities of the Company were restricted merely to completing the existing projects and recovery of dues. The Scheme of Arrangement proposed by the Company with its unsecured creditors was approved by the Hon'ble High Court, Bombay vide its Order dated 30<sup>th</sup> April 2007. The scheme became effective on 30<sup>th</sup> July 2007 on its filing with the Registrar of Companies, Maharashtra, Pune. The Company is implementing the scheme. The total amount of dues covered by the said scheme is around Rs. 57 Million out of which the Company is required to pay around Rs.40 Million, in phased manner upto 9<sup>th</sup> year from the effective date of the scheme and the balance amount along with the interest, if any, is waived off.

### DIVIDEND

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

### DIRECTORS

In accordance with the provisions of the Companies Act,

1956 and the Articles of Association of the Company, Mr. Otto Northe, Mr. Kiran Malhotra and Mr. Bomi Daruwala, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-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:

- in the preparation of Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- 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 at the end of the financial year ended 31<sup>st</sup> December 2007 and of the profit of the Company for that financial year;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the Annual Accounts on a going concern basis.

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION ETC.

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

The details of foreign exchange earnings and outgo for the Financial Year under review are as under:

	Rs. In Million	
	Year ended 31.12.2007	Year ended 31.12.2006
Foreign Exchange earned	Nil	Nil
Foreign Exchange Outgo	0.02	0.16

The Company has during the year under review, received financial assistance equivalent to Rs. 9,000,000/- from WILO AG, Germany (holding Company) for the purposes of implementation of the Scheme of Arrangement with the unsecured creditors.

### CORPORATE GOVERNANCE

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

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### AUDITORS

M/s. Lodha & Company, Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from the Auditors to the effect that their re-appointment if made, by the Company for the year 2008 would be within the limit prescribed under Section 224(1-B) of the Companies Act, 1956.

The Board of Directors recommends their re-appointment.

### LISTING

The shares of the Company are listed at Bombay Stock Exchange Limited and The Pune Stock Exchange Limited.

Listing fees for the year 2007-08 have been paid to both the Stock Exchanges.

### ACKNOWLEDGEMENT

Your Directors convey their sincere gratitude to the Government and Statutory Authorities, Banks, Shareholders, Creditors, Customers and Employees for the continued support extended to the Company at all times.

**For and on behalf of the Board of Directors**

**Peter Wurzbacher**  
Chairman

Place: Pune

Date : 12<sup>th</sup> February, 2008

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## 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 eight Directors. The composition of the Board of Directors and the number of other Directorships and Committee Memberships / Chairmanships of the Directors are given below:

Name of the Director	Category	Number of other Directorships +	Number of other Committee Memberships / Chairmanships ++
Mr. Peter Wurzbacher, Chairman*	PD	1	0/0
Mr. Jerome Perrod	PD	1	0/1
Mr. Otto Northe	PD	1	1/0
Mr. Ravindra Pal Bhatia	OD	1	1/0
Mr. Shailendra Jha	OD	0	0/0
Mr. P. M. Nene	ID	5	1/1
Mr. Kiran Malhotra	ID	3	2/1
Mr. Bomi Daruwala	ID	2	3/0
Mr. Mayanth Kanagasundrem**	PD	1	1/0

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

\* - Appointed w.e.f. 7<sup>th</sup> February, 2007 \*\*Resigned w.e.f. 1<sup>st</sup> February 2007

+ Excluding directorships / committee positions held in foreign companies / bodies corporate

++ Committee includes Audit Committee, Shareholders' Investors' Grievance Committee and Remuneration Committee only.

None of the Directors is relative of any other Director.

During the financial year ended on 31<sup>st</sup> December 2007, four Board Meetings were held on 7<sup>th</sup> February 2007, 28<sup>th</sup> April 2007, 25<sup>th</sup> August 2007, and 27<sup>th</sup> October 2007. The attendance of the Directors at the Board Meetings and at the last Annual General Meeting is as follows:

Name of Director	Attendance at Last Annual General Meeting held on 30.06.2007	Number of Board Meetings attended during 01.01.2007 to 31.12.2007
Mr. Peter Wurzbacher*	No	4
Mr. Jerome Perrod	No	1
Mr. Otto Northe	Yes	3
Mr. P. M. Nene	No	3
Mr. Kiran Malhotra	Yes	3
Mr. Bomi Daruwala	Yes	3
Mr. Ravindra Pal Bhatia	Yes	4
Mr. Shailendra Jha	Yes	4
Mr. Mayanth** Kanagasundrem	Not Applicable	Not Applicable

\*Appointed w.e.f. 7<sup>th</sup> February, 2007, \*\*Resigned w.e.f. 1<sup>st</sup> February 2007

### 3. Audit Committee:

Audit Committee consisted of Mr. P. M. Nene, Mr. Kiran Malhotra, Mr. Bomi Daruwala and Mr. Mayanth Kanagasundrem as members. Mr. Mayanth Kanagasundrem ceased to be the member of the Committee w.e.f. 1<sup>st</sup> February 2007 on account of his resignation from the Directorship of the Company. Mr. Otto Northe was inducted as the member of the Committee w.e.f. 7<sup>th</sup> February, 2007. The members have elected Mr. P. M. Nene as the Chairman and Mr. Kiran Malhotra as Alternate Chairman. During the financial year ended 31<sup>st</sup> December, 2007, the Audit Committee met four times on 07<sup>th</sup> February 2007, 28<sup>th</sup> April 2007, 25<sup>th</sup> August 2007 and 27<sup>th</sup> October 2007. The particulars of attendance at the Audit Committee meetings are as under:

Name of the Director	No. of meetings attended
Mr. P. M. Nene	3
Mr. Kiran Malhotra	3
Mr. Bomi Daruwala	3
Mr. Otto Northe	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.



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None of the Directors have been granted or entitled to any stock option.

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

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

- (a) Mr. Ravindra Pal Bhatia, Chairman
- (b) Mr. P. M. Nene, Member
- (c) Mr. Shailendra Jha, Member

The Committee met four times during the financial year ended on 07<sup>th</sup> February 2007, 28<sup>th</sup> April 2007, 25<sup>th</sup> August 2007 and 27<sup>th</sup> October 2007 to consider inter-alia the matters relating to transfer / transmission / splitting of shares and issue of new share certificates etc. and shareholders' / investors' grievances. Mr. Amol Kulkarni is holding the office of Company Secretary and the Compliance Officer.

Name of the Director	No. of meetings attended
Mr. Ravindra Pal Bhatia	4
Mr. P. M. Nene	3
Mr. Shailendra Jha	4

During the financial year ended 31<sup>st</sup> December 2007, 35 investor complaints were received and resolved. There were no pending investor complaints as on 31<sup>st</sup> December, 2007.

### 6. General Body Meetings:

#### Details of last three Annual General Meetings held

Meeting	Venue of the meeting	Date and Time
14 <sup>th</sup> Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune - 411 034	Friday, 13 <sup>th</sup> June, 2007 at 12.00 noon
13 <sup>th</sup> Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune - 411 034	Friday, 30 <sup>th</sup> June, 2006 at 12.00 noon
12 <sup>th</sup> Annual General Meeting	Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune - 411 034	Friday, 23 <sup>rd</sup> September, 2005 at 11.15 a.m

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

Meeting	Subject matter of Special Resolution
14 <sup>th</sup> Annual General Meeting	No Special Resolution was passed
13 <sup>th</sup> Annual General Meeting	No Special Resolution was passed
12 <sup>th</sup> Annual General Meeting	No Special Resolution was passed

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

### 7. Disclosures:

- a) During the financial year ended on 31<sup>st</sup> December, 2007, 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 Note No. B-6 of Schedule N 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 31<sup>st</sup> December, 2007 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.
- e) There is no qualification / adverse remark in the Auditors Report for the year under review.

### 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 The 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, 26<sup>th</sup> April 2008 at 11.00 a.m.

Venue : Hotel Kalasagar, Plot No. P-4, Mumbai-Pune Road, Kasarwadi, Pune-411 034.

#### b) Financial Calendar (tentative)

1<sup>st</sup> January to 31<sup>st</sup> December 2008

First Quarter Results : Fourth week of April, 2008

Second Quarter /  
Half year Results : Fourth week of July, 2008

Third Quarter Results: Fourth week of October, 2008

Last Quarter /  
Annual Results : Fourth week of February, 2009

- c) Book Closure : 21<sup>st</sup> April 2008 to 26<sup>th</sup> April 2008 (both days inclusive)