

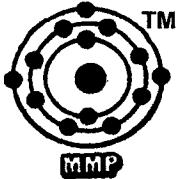
**MMP INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS MAHARASHTRA METAL POWDERS LIMITED)

Corporate Identification Number (CIN) – U 32300 MH 1973 PLC 030813

**44 ANNUAL REPORT  
FINANCIAL YEAR 2016-2017  
ENDED 31 MARCH 2017**

**REGISTERED OFFICE**

**211, SHRI MOHINI,  
345, KINGSWAY,  
NAGPUR – 440001, MH, IN**



# MMP INDUSTRIES LIMITED

(Formerly Maharashtra Metal Powders Ltd)

CORRESPONDENCE ADDRESS : B-24, MIDC AREA, HINGNA ROAD, NAGPUR - 440 016  
PH : 07104 - 668000, FAX : 07104 - 668032, Email : sales@mmpil.com, Web : www.mmpil.com, CIN : U32300MH1973PLC030813

## NOTICE

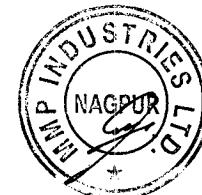
**NOTICE** is hereby given that the **Forty-fourth (44)** Annual General Meeting of the Members of **MMP Industries Limited** will be held on **Saturday, the 30 day of September 2017 at 10.00 A. M.** at the Registered Office of the Company at 211, Shrimohini, 345, Kingsway, Nagpur – 440001, Maharashtra, India, to transact the following business:

### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the year ended 31 March 2017, comprising of the Balance Sheet as at 31 March 2017, Statement of Profit & Loss and Cash Flow Statement for the financial year ended 31 March 2017, together with the Board's Reports and Report of the Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Bhandari (DIN - 00010934), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**Appointment of Messers Manish N Jain & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 138430W) as the Statutory Auditors of the Company**

“RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force), Messers Manish N. Jain & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 138430W), be and are hereby appointed to act as the Statutory Auditors of the Company, for a first term of five (5) consecutive years i.e. to hold office from the conclusion of this Forty-fourth (44) Annual General Meeting till the conclusion of the Forty-eighth (48) Annual General Meeting of the Company to be held in the calendar year 2022, at such remuneration plus applicable tax (GST) thereon and reimbursement of out of pocket and travelling expenses, if any, as approved and recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company.”



1



**SPECIAL BUSINESS:-**

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

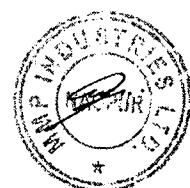
**Appointment of Mrs. Sudha Sukesh Gandhi (DIN - 06611145) as a Director (Category - Non-executive, Independent) of the Company**

“RESOLVED THAT Mrs. Sudha Sukesh Gandhi (DIN – 06611145), who was appointed as an Additional Director of the Company by the Board of Directors effective 18 August 2017, in terms of provisions of Section 161 of the Companies Act, 2013 read with the Rules made there under, and who holds such office up to the conclusion of this Forty-fourth (44) Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation.”

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

**Appointment of Mrs. Sudha Sukesh Gandhi (DIN - 06611145) as a Director (Category - Non-executive, Independent) of the Company for a fixed first term of consecutive five (5) years**

“RESOLVED THAT in accordance with the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment/s for the time being in force), Mrs. Sudha Sukesh Gandhi (DIN – 06611145), be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company to hold the office for a fixed first term of consecutive five (5) years i.e. from the conclusion of Forty-fourth (44) Annual General Meeting up to the conclusion of Forty-ninth (49) Annual General Meeting of the Company to be held in the calendar year 2022.”

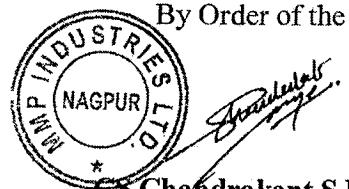


6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**Ratification of Remuneration of Cost Auditors of the Company**

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force), Messers Khanuja Patra & Associates, Cost Accountants, Nagpur (Membership No. 18684), whose appointment as the Cost Auditors of the Company for the financial year 2017-2018 has been duly approved by the Board of Directors based on the recommendations of the Audit Committee of the Company, be paid a sum Rs. 30,000/- (Rupees Thirty Thousand) plus applicable tax and reimbursement of actual out of pocket expenses, if any, as a remuneration for audit of cost records of the Company for the financial year 2017-2018, as recommended by the Board of Directors based on the recommendations of the Audit Committee of the Company, be and are hereby ratified.”

By Order of the Board



CS Chandrakant S Nimje  
Company Secretary  
Membership No. ACS - 48717

Place: Nagpur  
Dated: 18 August 2017

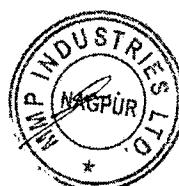
**NOTES:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.**

A Proxy submitted on behalf of the Company, Trust or Society (Institutional Investors) must be supported by an appropriate Resolution or Authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Ordinary and Special Business under Item Nos. 3 to 6 is annexed hereto and form part of the Notice.

All documents referred to in the Notice including Explanatory Statement thereof, will be available for inspection by Members during working hours on any working day till the conclusion of the Forty-fourth (44) Annual General Meeting at the Registered Office of the Company.



## **EXPLANATORY STATEMENT**

### **PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **Item No. 3:-**

In view of applicability of the provisions of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended) and pursuant to the Order namely 'the Companies (Removal of Difficulties) Third Order, 2016' of the Ministry of Corporate Affairs published in the Gazette of India (Extraordinary) on 30 June 2016 effective 1 April 2014, the Company is now required to comply with the provisions related to appointment of the Statutory Auditors and Rotation thereof.

Moreover, the Company is exploring an opportunity to enter into the capital market through IPO on SME Platform of the Stock Exchange. As such, there is an additional requirement to explore a suitable Chartered Accountants or a firm of a Chartered Accountants who holds a Valid Peer Review Certificate issued by the Institute of Chartered Accountants of India.

The Audit Committee and Board of Directors of the Company at their respective meeting/s, considering the qualification and experience of Messers Manish N. Jain & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 138430W), has approved and recommended their appointment, to act as the Statutory Auditors of the Company, for a first term of five (5) consecutive years i.e. to hold office from the conclusion of this Forty-fourth (44) Annual General Meeting till the conclusion of the Forty-eighth (48) Annual General Meeting of the Company to be held in the calendar year 2022, to the Shareholders (Members) of the Company, for their approval with ratification at every subsequent Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. Accordingly the Board of Directors of the Company recommends the ordinary resolution for approval with ratification at every subsequent Annual General Meeting in the interest of the Company.



**Item No. 4 and 5:-**

Mrs. Sudha Sukesh Gandhi (DIN – 06611145), aged about 64 years, qualified as M. A. In English Literature, Director of Suyog Chemicals Private Limited, is a woman entrepreneur, participated in the professional conceptualised administration and marketing functions of other commercial organisation.

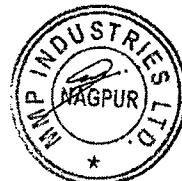
Accordingly, the Board of Directors at its meeting held on 18 August 2017, after considering the recommendations of Nomination and Remuneration Committee of its meeting held on 18 August 2017, has appointed Mrs. Sudha Sukesh Gandhi (DIN – 06611145), as an Additional Director (Category – Non-executive, Independent) of the Company, not liable to retire by rotation, to hold the office till the conclusion of ensuing Forty-fourth (44) Annual General Meeting of the Company.

The Board of Directors at its meeting held on 18 August 2017, after considering the recommendations of Nomination and Remuneration Committee of its meeting held on 18 August 2017, also considered, approved and recommended to the Members, the appointment of Mrs. Sudha Sukesh Gandhi (DIN – 06611145), as a Director (Category – Non-executive, Independent) of the Company, not liable to retire by rotation.

The Board of Directors at its meeting held on 18 August 2017, after considering the recommendations of Nomination and Remuneration Committee of its meeting held on 18 August 2017, also considered, approved and recommended to the Members, the appointment of Mrs. Sudha Sukesh Gandhi (DIN – 06611145), as a Director (Category – Non-executive, Independent) of the Company, not liable to retire by rotation, to hold the office of an Independent Director for a fixed first term of consecutive five (5) years i.e. from the conclusion of Forty-fourth (44) Annual General Meeting up to the conclusion of Forty-ninth (49) Annual General Meeting of the Company to be held in the calendar year 2022.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Sudha Sukesh Gandhi (DIN – 06611145), for the office of a Director of the Company.

Except, Mrs. Sudha Sukesh Gandhi (DIN – 06611145), being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.



Accordingly, the Board of Directors recommends to the Members for their approval, the ordinary resolution for an appointment of Mrs. Sudha Sukesh Gandhi (DIN – 06611145), as a Director (Category – Non-executive, Independent) of the Company, not liable to retire by rotation, and also, to hold the office of an Independent Director for a fixed first term of consecutive five (5) years i.e. from the conclusion of Forty-fourth (44) Annual General Meeting up to the conclusion of Forty-ninth (49) Annual General Meeting of the Company to be held in the calendar year 2022, in the interest of the Company.

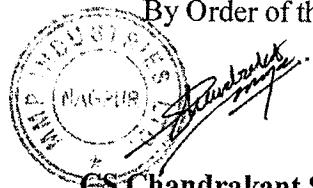
**Item No. 6:-**

On recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on 5 August 2017 appointed Messers Khanuja Patra & Associates, Cost Accountants, Nagpur (Membership No. 18684), as the Cost Auditors of the Company for the financial year 2017–2018 to audit the cost records of the Company at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand) plus applicable tax (GST) and reimbursement of actual out of pocket expenses, if any.

Pursuant to Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Board of Directors, is subject to ratification by the shareholders (members) of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the ordinary resolution for ratification of the Members in the interest of the Company.

By Order of the Board



CS Chandrakant S Nimje  
Company Secretary  
Membership No. ACS - 48717

Place: Nagpur  
Dated: 18 August 2017

## **BOARD'S REPORT**

To  
**The Shareholders (Members) of MMP Industries Limited**

The Board of Directors of the Company hereby present the Forty-fourth (44) Annual Report together with the audited financial statements for the year 2016-2017 ended 31 March 2017.

During the financial year 2016-2017 under review, the Company has recorded the higher consolidated revenue of Rs.22568.52 lakh, up by 12.45% over the revenue of Rs. 20069.46 lakh of FY 2015-2016. The operating profit (EBIDT) of Rs. 2626.92 lakh has shown a satisfactory 30.09% growth over the FY 2015-2016 operating profit of Rs. 2019.29 lakh. This increase is due to increase in other income of 876.1% accruing from sale of leasehold land by the Company to the JV (Associate) Company namely Toyal MMP India Private Limited. This has resulted in higher net profit of Rs. 1449.32 lakh with a growth of 77.84% over the net profits of Rs. 814.94 lakh of FY 2015-2016.

### **FINANCIAL PERFORMANCE - RESULTS**

The summarised financial results for the year are as follows : (Rupees in Lakh, Except for EPS)

<b>Particulars</b>	<b>Standalone</b>		<b>Consolidated</b>	
	<b>FY 2016-2017</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>	<b>FY 2015-2016</b>
Revenue from Operations (Gross)	22568.52	20069.46	22568.52	20069.46
(Less) Excise Duty	2333.75	2012.57	2333.75	2012.57
Revenue from Operations (Net)	20234.77	18056.89	20234.77	18056.89
(Add) Other Income	623.24	63.85	623.24	63.85
Total Revenue (Income)	20858.01	18120.75	20858.01	18120.75
(Less) Total Expenditure (Excluding Interest and Depreciation)	18231.09	16101.46	18231.09	16101.46
Profit before Interest, Tax, and Depreciation	2626.92	2019.29	2626.92	2019.29
(Less) Interest (Finance Cost)	422.57	662.49	422.57	662.49
Profit before Tax and Depreciation	2204.35	1356.80	2204.35	1356.80
(Less) Depreciation	181.73	161.69	181.73	161.69
Profit before Tax before Exceptional and Extra-ordinary Item/s	2022.62	1195.11	2022.62	1195.11
(Add) Exceptional and Extra-ordinary Item/s	0.00	0.00	0.00	0.00
Profit before Tax	2022.62	1195.11	2022.62	1195.11
Current Tax	500.00	300.00	500.00	300.00
Deferred Tax	54.44	80.33	54.44	80.33
Tax related to previous year/s	18.86	(0.16)	18.86	(0.16)
Profit after Tax	1449.32	814.94	1449.32	814.94
Share of Profit from Associate Company	-	-	271.87	109.19
Basic Earnings Per Share (Rupees)	17.48	9.83	20.76	11.15
Diluted Earnings per Share (Rupees)	17.48	9.83	20.76	11.15

### **SHARE CAPITAL**

During the financial year 2016-2017 ended 31 March 2017 under review, there is no change in the capital structure of the Company and accordingly, the nominal (authorised) share capital of the Company is Rs. 8,50,00,000/- and the issued, subscribed and paid-up share capital of the Company stand at Rs. 8,29,00,500/- as on 31 March 2017.

## DIVIDEND

There is a continuous need of capital to upgrade product and its process with latest technology. The Company is always in the process of upgrading its facilities with certain capital projects either through renovation, addition, expansion or modernisation. Simultaneously, the Company is required to infuse its internal accruals to comply with the requirements of the lending banks financing for such capital projects.

As such, the Board of Directors does not recommend any dividend on the equity shares for the financial year 2016-2017 ended 31 March 2017.

## TRANSFER TO RESERVES (BALANCE SHEET)

The sum/s transferred to reserves and surplus (balance sheet) account/s viz., Capital Reserve (Special Capital Incentives), Revaluation Reserve, General Reserve, Profit & Loss, and closing balance/s thereof as at 31 March 2017 (FY 2016-2017) [Previous Year ended 31 March 2016 (FY 2015-2016)] is as follows :-

Sr No.	Particulars	FY 2016-2017 Amount in Rs.	FY 2015-2016 Amount in Rs.
1	Capital Reserve (Special Capital Incentive)		
(a)	Opening Balance	4,032,000	325,500
(b)	Sales Tax Incentive under PSI Scheme	1,789,000	777,000
(c)	Closing Balance	5,821,000	4,032,000
2	Revaluation Reserves		
(a)	Opening Balance	607,817	607,817
(b)	Transferred during the Year	0	0
(c)	Closing Balance	607,817	607,817
3	General Reserves		
(a)	Opening Balance	40,712,922	40,712,922
(b)	Transferred during the Year	0	0
(c)	Closing Balance	40,712,922	40,712,922
4	Profit and Loss Account		
(a)	Opening Balance	189,748,986	108,254,525
(b)	Transferred during the Year	144,932,665	81,494,461
(c)	Closing Balance	334,681,651	189,748,986
<b>Total Reserves and Surplus</b>		<b>381,823,390</b>	<b>235,101,726</b>

## NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the financial year 2016-2017 under review, the Board of Directors, though exploring addition to existing business and commercial activities, had neither been explored any change in nature of business and commercial activities for the Company nor there is a change in nature of business and commercial activities of the Company. As such, no specific details regarding change in nature of business activities are required to be given or provided.

## MARKET SCENARIO

The Company's products viz., aluminium powders, aluminium pastes and aluminium conductors are largely used in industrial and construction applications. All these sectors continued to grow @7 to 10% during the financial year 2016-2017 under review. The price of aluminium (metal) determines market growth in various sectors and the overall stability of metal pricing as well as expanded requirements in the explosives and construction sectors will be the important factors in the revenue growth of about 12%.

## **STATE OF COMPANY'S AFFAIRS**

During the financial year 2016-2017 under review, the Company continued to be a leading manufacturer of aluminium powders, pastes and conductors for various industries like Explosives, Concrete Blocks, Pesticides, Paint and Power Transmission. The Company has a large customer base in diversified industries with strong customer retention and generous market share. The Company's association with Global Industry leader "Toyo Aluminium KK Japan" would help in moving up the value chain alongside technological support. The overall performance of the respective divisions of the Company during the financial year 2016-2017 are provided hereunder :-

### **ALUMINIUM POWDER AND PASTE DIVISION**

The total revenue of this division is Rs. 15551 lakh, up by 12.06% as compared to the revenue of Rs. 13951 lakh of FY 2015-2016. The segment result is at Rs. 1668 lakh which is lower by 2.17% compared to Rs. 1705 lakh of FY 2015-2016.

### **ALUMINIUM CONDUCTORS DIVISION**

The total revenue of this division at Rs. 6344 lakh, up by 17.83% as compared to the revenue of Rs. 5384 lakh of FY 2015-2016. The segment result is at Rs. 520 lakh which is up by 37.57% compared to Rs. 378 lakh of FY 2015-2016.

### **FUTURE PROSPECTS**

#### **ALUMINIUM POWDER**

The Company has firmed up plans to expand the atomized powder capacity by 6000 MTPA. Detailed technical discussions are on with Toyo Aluminium K.K. for plant design keeping in mind future requirements of the JV and MMP's captive growth potential. The atomized capacity is to be installed in two phases and work on Phase 1 is planned to commence in Q1 of 2018.

With the Global Toyal brand now a MMP associate, the Company expects to utilize its sales network for promotion of its powder business in the South East and Mid East Asian regions. This long term strategy will begin to yield global sales growth for the Company in the coming years.

#### **ALUMINUM PASTE**

The Company's JV with Toyo Aluminium KK for aluminium paste is under construction and trial production is scheduled for November 2017. The aluminium paste demand is strong and with the transfer of capacity of paste to the JV, the aluminium paste division will be utilized to make value added leafing powders which have a good demand in the country and abroad.

#### **ALUMINIUM CONDUCTORS**

To keep pace with power sector demands, the company is exploring possibilities of making aerial bunched conductors (ABC) to serve customer requirements. The conductor business is expected to further grow at 7 to 10% but optimizing sales with timely payments will remain the key determinant in this sector, although the market is vast and unending.

In view of ongoing economic developments coupled with favourable government decisions and actions namely GST, Make in India, Digital India, Start-up, etc. the Company is exploring an opportunity to enter into a capital market through venturing into an Initial Public Offering (IPO) at SME Platform of the Stock Exchange. This will not only a fund raising tool but also give a large scale visibility of the Company in domestic as well as international markets.

## **HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY**

During the financial year 2016-2017 under review, the Company is neither a Holding Company nor a Subsidiary, Associates or Joint Venture Company of any other Company or Companies pursuant to the provisions of the Companies Act, 2013 read with relevant rules made thereof.

However, M/s. Star Circlips & Engineering Limited and Toyal MMP India Private Limited were continued to be the Associate Companies of the Company during the financial year 2016-2017.

### **STAR CIRCLIPS AND ENGINEERING LIMITED ('Star Circlips')**

During the financial year 2016-2017 under review, the total revenue of Star Circlips at Rs. 8869 lakh is up by 19.34% compared to Rs. 7432 lakh of the FY 2015-2016. The EBIDT at Rs. 2150.34 lakh is up by 61.87% as compared to Rs.1328.43 lakh of the FY 2015-2016 and PAT at Rs. 1035.52 lakh is up by 147.30% compared to Rs.418.73 lakh of the FY 2015-2016. The Company continued to hold 26.06% shareholding in Star Circlips during the FY 2016-2017 ended 31 March 2017 and by virtue of shareholding, the share of profit of Rs. 269.86 lakh is considered in the consolidated financial statements of the Company.

### **TOYAL MMP INDIA PRIVATE LIMITED (TMI)**

During the financial year 2016-2017 under review, the Company has signed a Joint Venture (JV) agreement with Toyo Aluminium KK of Japan for setting up an aluminium paste making facility in the five star industrial area of Butibori - Nagpur. The Company was in discussions with Toyo for 3 years which concluded with the formation / incorporation of the JV Company Toyal MMP India Private Limited on 24 May 2016. The Company's equity shareholding in the said JV Company is 26% while the balance 74% is held by Toyo Aluminium KK of Japan. The Company has executed the contract/s for management services and for supply of raw material (atomized powder) to the said JV Company.

The manufacturing operations of the JV Company has not commenced during the FY 2016-2017. The revenue generated from trading sales is Rs. 143.84 lakh, EBIDT is Rs. 12.09 lakh and PAT of Rs. 7.76 lakh. The Company continued to hold 26.00% shareholding in TMI during the FY 2016-2017 ended 31 March 2017 and by virtue of shareholding, the share of profit of Rs. 2.02 lakh is considered in the consolidated financial statements of the Company.

All the requisite details / information have been provided in the prescribed Form No. AOC-1 attached as an Annex - A, which forms part and parcel of the Board's Report.

### **PUBLIC DEPOSITS**

During the financial year 2016-2017 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (as amended) are required to be given or provided.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The changes amongst the Directors including the Executive Directors and Key Managerial Personnel during the period are as follows :-

- a. Mr. Madanmohan Chandulal Agrawal (DIN - 02281318) was re-appointed as the Whole-time Director [Category – Non-Promoter & Executive] for a period of two (2) years effective 1 August 2016.

- b. Mr. Lalit Ranjeet Raj Bhandari, (DIN – 00010934), was re-appointed as the Whole-time Director [Category – Promoter & Executive] of the Company for a period of five (5) years effective 1 April 2017.
- c. Mr. Hemant Anand Jahagirdar (DIN – 00010908) ceased to be a Director of the Company due to resignation effective 18 August 2017. The Board places on records its appreciation for his wide contributions in the overall performance of the Company.
- d. Mrs. Sudha Sukeh Gandhi (DIN : 06611145) was appointed as an Additional Director [Category – Woman, Non-executive, Independent] of the Company effective 18 August 2017. Accordingly, her term of appointment expiring at the conclusion of the ensuing Forty-fourth (44) Annual General Meeting.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee of the Company, has considered, approved and recommended, her appointment as a Director (Category – Woman, Non-executive, Independent) of the Company and also as an Independent Director for a fixed first term of consecutive five (5) years, for approval of the shareholders (members) of the Company.

The Board recommends the resolution/s for approval of the shareholders (members) in the interest of the Company.

- e. Mr. Arun Raghuvir Raj Bhandari (DIN – 00008901), Managing Director [Category – Promoter & Executive], Mr. Karan Yudhishtir Verma (DIN – 06923525), Director [Category – Non-executive, Independent] and Mr. Ajay Sadashiv Gokhale (DIN – 00550452), Director [Category – Non-executive, Independent] were continued on the respective position during the period under review.
- f. CS Chandrakant Shivshankar Nimje [ICSI Membership No. ACS – 48717, IT PAN – ATWPN0626J] was appointed as the Company Secretary and Compliance Officer of the Company effective 21 March 2017.
- g. CA Sharad Mohanlal Khandelwal [ICAI Membership No. FCA – 047999, IT PAN – ADCPK2636D] was appointed (re-designated) as the Chief Financial Officer of the Company effective 18 August 2017.
- h. Pursuant to Section 152 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), Mr. Lalit Ranjeet Raj Bhandari, (DIN – 00010934), Whole-time Director [Category – Promoter & Executive] of the Company, retires by rotation and being eligible, offers himself for re-appointment.

The Board recommends the resolution for approval of the shareholders (members) in the interest of the Company.

- i. Mr. Arun Raghuvir Raj Bhandari (DIN – 00008901), Managing Director [Category – Promoter & Executive], Mr. Lalit Ranjeet Raj Bhandari, (DIN – 00010934), Whole-time Director [Category – Promoter & Executive], Mr. Madanmohan Chandulal Agrawal (DIN - 02281318), Whole Time Director [Category – Non-Promoter & Executive], CA Sharad Mohanlal Khandelwal [ICAI Membership No. FCA – 047999, IT PAN – ADCPK2636D], Chief Financial Officer and CS Chandrakant Shivshankar Nimje [ICSI Membership No. ACS – 48717, IT PAN – ATWPN0626J], Company Secretary and Compliance Officer of the Company were designated as the Key Managerial Personnel of the Company.

#### **DECLARATION BY INDEPENDENT DIRECTOR/S**

The Company has duly complied with the definition of 'Independence' according to the provisions of Section 149(6) of, read with Schedule IV - Code of Independent Directors to, the Companies Act, 2013. All the Independent Director/s, have submitted a declaration that he/she meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors confirms :

- i. That in the preparation of the annual financial statements, the applicable Accounting Standards had been followed along with proper explanation, relating to material departures;
- ii. That 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 and of the profit of the Company for that financial year;
- iii. That the Directors had 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;
- iv. That the Directors had prepared the annual financial statements on a going concern basis; and
- v. That the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and regulations and that such systems were adequate and operating effectively.

## **NUMBER OF MEETINGS OF THE BOARD**

Fourteen (14) meetings of the Board of Directors of the Company were held during the financial year 2016-2017 under review on (1) 01.04.2016 (2) 20.04.2016 (3) 26.04.2016 (4) 06.05.2016 (5) 20.05.2016 (6) 03.06.2016 (7) 15.06.2016 (8) 27.07.2016 (9) 23.08.2016 (10) 15.10.2016 (11) 15.12.2016 (12) 30.12.2016 (13) 10.03.2017 and (14) 15.03.2017.

## **COMMITTEE(S) OF THE BOARD**

During the period under review, the Company has constituted and/or re-constituted all the requisite Committee(s) of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Share Transfer Committee, Risk Management Committee and Project Monitoring Committee, pursuant to the provisions of the Companies Act, 2013 read with the rules made there under.

The details of constitution and/or re-constitution, objective or terms of reference and other related information has been provided in the **Annex - B**, which forms part and parcel of the Board's Report.

## **AUDITORS**

### **STATUTORY AUDITORS AND THEIR REPORT**

In view of applicability of the provisions of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended) and pursuant to the Order namely 'the Companies (Removal of Difficulties) Third Order, 2016' of the Ministry of Corporate Affairs published in the Gazette of India (Extraordinary) on 30 June 2016 effective 1 April 2014, the Company is required to comply with the provisions related to appointment of the Statutory Auditors and rotation thereof. Moreover, the Company is exploring an opportunity to enter into the capital market through IPO on SME Platform of the Stock Exchange. As such, there is an additional requirement to explore a suitable Chartered Accountants or a firm of a Chartered Accountants who holds a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India ('ICAI').

The existing Statutory Auditors of the Company namely Messers N. S. Rathore & Co., Chartered Accountants, Jaipur (ICAI Firm Registration No. 012414C) has confirmed the Company that they do not possess any valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. As such, they have expressed their inability to continue to act as the Statutory Auditors of the Company and accordingly, their re-appointment for further period/s.

In view of aforesaid, the Audit Committee and Board of Directors of the Company at their respective meeting/s, considering the qualification and experience of Messers Manish N. Jain & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 138430W), has approved and recommended their appointment, to act as the Statutory Auditors of the Company, for a first term of five (5) consecutive years i.e. to hold office from the conclusion of this Forty-fourth (44) Annual General Meeting till the conclusion of the Forty-eighth (48) Annual General Meeting of the Company to be held in the calendar year 2022, to the Shareholders (Members) of the Company, for their approval subject to ratification at every subsequent Annual General Meeting of the Company.

Messers Manish N. Jain & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 138430W), have furnished a Certificate of Consent, qualification and eligibility for their appointment under Section 139 and 141 of the Companies Act, 2013 read with rules and regulations made there under.

The Auditor's Report submitted by Messers N. S. Rathore & Co., Chartered Accountants, Jaipur (ICAI Firm Registration No. 012414C), the Statutory Auditors of the Company to the shareholders for the financial year 2016-2017 ended 31 March 2017 does not contain any qualification. The observations made by the Statutory Auditors in their report are self-explanatory and have also been further amplified in the Notes to the Account and as such do not call for any explanations.

During the financial year 2016-2017 ended 31 March 2017 under review :-

- (a) there is no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended);
- (b) the observations made by the Statutory Auditors on the financial statements for the financial year 2016-2017 ended 31 March 2017 under review including the affairs of the Company are self explanatory and do not contain any qualification, reservation, adverse remarks or disclaimer thereof.

As such, no specific information, details or explanations required to be given or provided by the Board of Directors of the Company.

#### **COST AUDITORS AND THEIR REPORT**

Pursuant to Section 148 of the Companies Act 2013, the Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed Messers Khanuja Patra & Associates, (Membership No. 18684), Cost Accountants, Nagpur as the Cost Auditors of the Company for the financial year 2017-2018 ending 31 March 2018 and has also recommended their remuneration to the shareholders for their ratification at the ensuing Forty-fourth (44) Annual General Meeting.

The said Cost Auditors have furnished a Certificate of their eligibility for appointment pursuant to Section 141(3)(g), Section 148(5) of the Companies Act, 2013 read with the rules made there under, Certificate for independence and arms length relationship with the Company and have confirmed about their not being disqualified for such appointment including re-appointment within the meaning of Section 141(3) of the Companies Act, 2013.

#### **INTERNAL AUDITORS**

Pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended), the Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed (through re-designation) CA Priyesh Rajesh Jobanputra (ICAI Membership No. ACA - 164429) presently designated as the Assistant Manager (Finance) of the Company, as the Internal Auditors of the Company for the financial year 2017-2018 ending 31 March 2018.

#### **PERSONNEL / PARTICULARS OF EMPLOYEES**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), forms part of this report.

Sr. No.	Name	Qualification	Designation	Gross Remuneration in Rupees
1.	Mr. Arun Bhandari	B. Tech	Managing Director	40,32,000/-
2.	Mrs. Saroj Bhandari	Graduate	Unit Head	20,45,220/-
3.	Mrs. Sakshi Bhandari	Graduate	Manager	19,50,000/-
4.	Mr. Lalit Bhandari	B. Com (Hons)	Whole-time Director	15,02,380/-
5.	Mr. Sharad Khandelwal	Chartered Accountant	Sr. Manager (Finance)	13,19,280/-
6.	Mr. Ashwin Batra	Graduate	Sr. Manager (Marketing)	8,12,328/-
7.	Mr. Surendra Singh Rathore	Graduate	Manager (Works)	7,46,264/-
8.	Mr. Sheetal Kothari	Graduate	Manager (Accounts)	7,23,263/-
9.	Mr. Vinod Kumar Khandelwal	Graduate	Commercial Manager	6,80,388/-
10.	Mr. Viswanadha VS Sharma	Graduate	Manager (Marketing)	6,76,546/-

Any member interested in obtaining a copy of the statement containing other requisite particulars of aforesaid employee/s as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) may write to the Company at its Registered Office and the said statement is open for inspection at the Registered Office of the Company.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 are given in the **Annex - C**, which forms part and parcel of the Board's Report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the financial year 2016-2017 ended 31 March 2017 under review, the Company has neither granted loan/s, secured or unsecured, nor provided guarantees or securities in connection with any loan/s availed by others pursuant to the provisions of Section 185 the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). As such, no specific details are required to be given or provided.

During the financial year 2016-2017 ended 31 March 2017 under review, the Company has neither granted loan/s, secured or unsecured, or provided guarantees or securities in connection with any loan/s availed by others pursuant to the provisions of Section 186 the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). As such, no specific details are required to be given or provided.

During the financial year 2016-2017 ended 31 March 2017 under review, the Company has made the investment/s pursuant to the provisions of Section 186 the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The details of such Investments made in accordance with the provisions of Section 186 of the Companies Act, 2013 are as follows :-

Name of the Party and Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration of Contracts / Arrangements / Transactions	Salient terms of the Contracts / Arrangements / Transactions, including the value, if any	Date of Approval by the Board / General Meeting, if any	Amount in Rupees
Toyal MMP India Private Limited [Joint Venture (Associate) Company]	Investment in Equity Share in the Capital of the Company	Not Applicable	<i>Pari-passu</i> with Other Equity Shares in the Capital of the Company	06-0-2016	Rs.70,226,000/- (Rupees Seven Crore Two Lakh Twenty Six Thousand)

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

The details of contracts or arrangements or transactions not at arm's length basis and/or the details of contracts or arrangements or transactions at arm's length basis in **Form No. AOC – 2** pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 (Amended) are given in the **Annex - D**, which forms part and parcel of the Board's Report.

**EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return as on 31 March 2017 pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended) is furnished in the **Annex – E** attached to this report, which forms an integral part of this report.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

During the financial year 2016-2017 ended 31 March 2017 under review, there were no amount/s which is required to be transferred to the Investor Education and Protection Fund by the Company. As such, no specific details are required to be given or provided.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company believes in the Corporate Social Responsibility as an integral part of its business. Education and Illiteracy, Poverty, Health, are some of the most critical problems that our country has been facing for years. One of the most effective direct and indirect solutions to solve these is an education, but a great number of peoples cannot afford to get them self educated.

Keeping this in mind, the Board of Directors through its CSR Committee has implemented certain CSR projects either directly or through implementing agency nominated by the CSR Committee of the Company.

The Company has implemented aforesaid CSR projects to cover not only the shortfall in the CSR spending pertaining to the financial year/s 2014-2015 and 2015-2016 but also CSR spending of the current financial year 2016-2017. The Company has either incurred certain sum/s during the financial year 2016-2017 or committed certain sum/s for CSR spending as and when required from time to time by the said implementing agency.

The Company do confirms that the Company is in due compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR project/s of the Company are in accordance with the provisions of Section 135 of, Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Company's CSR Policy. The Annual Report on the CSR Activities for the financial year 2016-2017 ended 31 March 2017 is given in the **Annex - F**, which forms part and parcel of the Board's Report.

**CODES OF CONDUCT OF BUSINESS PRINCIPLES & ETHICS AND PREVENTION OF INSIDER TRADING AND OTHER CODES / POLICIES**

The Board of Directors are pleased to report that your Company has complied with the :

- (a) Code of Conduct of Business Principles and Conduct;
- (b) Code for Independent Directors;
- (c) Code of Prevention of Insider Trading in MMP Securities by the designated persons (insider);
- (d) Code for Vigil Mechanism - Whistle Blower Policy;
- (e) Corporate Social Responsibility (CSR) Policy;

- (f) Risk Management Policy;
- (g) Policy on Document Preservations;
- (h) Policy for determining of 'material' Subsidiary;
- (i) Policy on materiality of related party transaction/s and on dealing with related party transactions; and
- (j) Policy for determination of materiality, based on specified criteria and accordingly, grant authorisation for determination of materiality of events.

The aforesaid code(s) and policy(ies) are available on the Company's Website [www.mmpil.com](http://www.mmpil.com)

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES INDUSTRIAL RELATIONS**

During the financial year 2016-2017 ended 31 March 2017 under review, industrial relations remained cordial. Employees' competencies and skills were enhanced by exposing them to several internal and external training programmes. Various measures were taken to improve motivation level of employees. Additional efforts are continued to be implemented with a view to obtain commitment and loyalty towards the organisation.

#### **SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

MMP Industries Limited ("the Company") has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc) are covered under this Policy. The Certificate by the Managing Director and Chairman, Audit Committee of the Company to that effect is enclosed herewith as an **Annex - G**, which forms part and parcel of the Board's Report.

#### **HEALTH AND SAFETY**

Departmental safety coordinators are identified for monitoring & training on safety related matter at shop-floor. Safety Committee and Apex Committee are available for periodical review on safety, health & environment of all departments. Regular Training on Safety is being organised for New Joinee, regular employees & contract labour. Mock-drills are conducted for practical exposure to meet emergency need on quarterly basis. Hand book on safety awareness are distributed to all employees.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure :-

- (a) that all assets and resources are used efficiently and are adequately protected;
- (b) that all the internal policies and statutory guidelines are complied with; and
- (c) the accuracy and timing of financial reports and management information is maintained.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

During the financial year 2016-2017 ended 31 March 2017 under review, there are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates and the date of this report. As such, no specific details are required to be given or provided.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the financial year 2016-2017 ended 31 March 2017 under review, no significant and material order is passed by any of the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. As such, no specific details are required to be given or provided.

**ENCLOSURES**

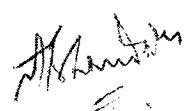
- (a) **Annex – A** : Form No. AOC-1 – Information / Details about the Associate Companies of the Company;
- (b) **Annex – B** : Details about the Committees of the Board of Directors of the Company
- (c) **Annex – C** : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;
- (d) **Annex – D** : Form No. AOC-2 – Information / Details of contracts or arrangements or transactions not at arm's length basis and/or the details of contracts or arrangements or transactions at arm's length basis;
- (e) **Annex – E** : Extract of Annual Return as of 31 March, 2017 in the prescribed Form No. MGT-9; and
- (f) **Annex – F** : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;
- (g) **Annex – G** : Certificate on Sexual Harassment of Women at the Workplace and its Prevention, Prohibition & Redressal.

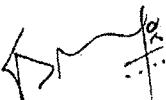
**ACKNOWLEDGEMENT**

The Directors acknowledge with thanks co-operation and assistance received by the Company from the Members, Central & State Government and Banks. The Directors also record their appreciation of the dedication of all the employees of the Company for their support and commitment to ensure that the Company continues to grow.

**For and on behalf of the Board**

Place : Nagpur  
Dated : 18 August 2017

  
Arun Bhandari  
Managing Director  
DIN – 00008901

  
Laxit Bhandari  
Whole-time Director  
DIN - 00010934

## ANNEX – A TO BOARD'S REPORT

### Form No. AOC-1

(Pursuant to First Proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

#### Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

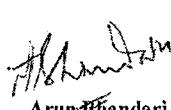
Sr. No.	Particulars	Details
1.	Name of the subsidiary	The Company does not have a Subsidiary Company.  As such, No specific details are required to be provided.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Ventures		M/s Star Circuits and Engineering Limited	M/s Toyal MMP India Private Limited
1.	Latest Audited Balance Sheet Date	31-03-2017	31-03-2017
2.	Shares of Associate /Joint Ventures held by the Company on the year end		
	Number of Equity Shares	998860	7022600
	Amount of Investment in Associates / Joint Venture	Rs. 9,782,890	Rs. 70,226,000
	Extend of Holding%	26.06%	26.00%
3.	Description of how there is significant influence	Shareholding @26.06%	Shareholding @26.00%
4.	Reason why the associate / joint venture is not consolidated	Not Applicable	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	90,542,386.21	70,427,664.75
6.	Profit / (Loss) for the year	103,552,135.79	775,633.67
	Considered in Consolidation	26,985,686.59	201,664.58
	Not Considered in Consolidation	Nil, Hence Not Applicable	Nil, Hence Not Applicable

For and on behalf of the Board

  
 Arun Bhandari  
 Managing Director  
 DIN - 00008901

  
 Lalit Bhandari  
 Whole-time Director  
 DIN - 00010934

Place : Nagpur  
 Dated : 18 August 2017

## **ANNEX – B TO BOARD'S REPORT**

### **AUDIT COMMITTEE**

The Audit Committee of the Board pursuant to Section 177 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby constituted / re-constituted consisting of the following Members, viz.,

Sr. No.	Name of the Director / Member / Invitee	Designation
1.	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Chairman of the Committee
2.	Mr. Karan Yudhishtir Verma (Non-executive, Independent Director)	Member of the Committee
3.	Mrs. Sudha Sukesh Gandhi (Non-executive, Independent Director)	Member of the Committee
4.	Mr. Arun Raghivir Raj Bhandari (Managing Director)	Invitee to the Committee
5.	CA Sharad Mohanlal Khandelwal (Chief Financial Officer)	Invitee to the Committee
6.	Statutory Auditors	Invitee to the Committee
7.	Secretarial Auditors	Invitee to the Committee
8.	Cost Auditors	Invitee to the Committee
9.	Internal Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Audit Committee with a quorum requirement for each Audit Committee meeting is of attendance of minimum two (2) members, against which at least two (2) shall be an independent directors and that the Audit Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (c) examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to :-
  - i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. qualifications in the draft audit report;
- (d) examination and reviewing, with the management, the quarterly / half-yearly financial statements before submission to the board for approval;
- (e) approval or any subsequent modification of transactions of the Company with related parties;
- (f) scrutiny of inter-corporate loans and investments;

- (g) valuation of undertakings or assets of the Company, wherever it is necessary;
- (h) evaluation of internal financial controls and risk management systems;
- (i) monitoring the end use of funds raised through public offers and related matters;
- (j) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (k) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (l) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (m) discussion with internal auditors of any significant findings and follow up thereon;
- (n) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (o) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (p) look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (q) approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (r) reviewing the Management discussion and analysis of financial condition and results of operations;
- (s) reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (t) reviewing the Internal audit reports relating to internal control weaknesses;
- (u) reviewing the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
- (v) reviewing the functioning of the Whistle Blower mechanism;
- (w) reviewing / redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- (x) establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases;
- (y) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board pursuant to Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby re-constituted consisting of the following Members, viz.,

<b>Sr. No.</b>	<b>Name of the Director / Member / Invitee</b>	<b>Designation</b>
1.	Mrs. Sudha Sukech Gandhi (Non-executive, Independent Director)	Chair-person of the Committee
2.	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee
3.	Mr. Karan Yudhishtir Verma (Non-executive, Independent Director)	Member of the Committee
4.	Statutory Auditors	Invitee to the Committee
5.	Secretarial Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Nomination and Remuneration Committee with a quorum requirement for each Nomination and Remuneration Committee meeting is of attendance of minimum two (2) members, against which at least two (2) shall be an independent directors and that the Nomination and Remuneration Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- (b) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (c) while formulating the policy under (b) above, ensure that
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (d) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Board pursuant to Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby re-constituted consisting of the following Members, viz.,

Sr. No.	Name of the Director / Member / Invitee	Designation
1.	Mr. Karan Yudhishtir Verma (Non-executive, Independent Director)	Chairman of the Committee
2.	Mrs. Sudha Sukeš Gandhi (Non-executive, Independent Director)	Member of the Committee
3.	Mr. Arun Raghivir Raj Bhandari (Managing Director)	Member of the Committee
4.	Secretarial Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Stakeholders' Relationship Committee with a quorum requirement for each Stakeholders' Relationship Committee meeting is of attendance of minimum two (2) members, out of which at least one (1) shall be an independent director and that the Stakeholders' Relationship Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) consider and resolve the grievance of security holders of the Company
- (b) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility (CSR) Committee of the Board pursuant to Section 135 and other applicable provisions of, including Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby re-constituted consisting of the following Members, viz.,

Sr. No.	Name of the Director / Member / Invitee	Designation
1.	Mr. Arun Raghivir Raj Bhandari (Managing Director)	Chairman of the Committee
2.	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee
3.	Mrs. Sudha Sukech Gandhi (Non-executive, Independent Director)	Member of the Committee
4.	CA Sharad Mohanlal Khandelwal (Chief Financial Officer)	Invitee to the Committee
5.	Statutory Auditors	Invitee to the Committee
6.	Secretarial Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the CSR Committee with a quorum requirement for each CSR Committee meeting is of attendance of minimum two (2) members, out of which at least one (1) shall be an independent director and that the CSR Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken either by the Company or through implementing agency as specified in Schedule VII to the Companies Act, 2013 as amended from time to time;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c) monitor the Corporate Social Responsibility (CSR) Policy of the Company from time to time; and
- (d) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **SHARE TRANSFER COMMITTEE**

The Share Transfer Committee of the Board pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby constituted consisting of the following Members, viz.,

Sr. No.	Name of the Director / Member / Invitee	Designation
1.	Mr. Arun Raghivir Raj Bhandari [Managing Director (Promoter)]	Chairman of the Committee
2.	Mr. Lalit Bhandari [Whole-time Director (Promoter)]	Member of the Committee
3.	Mr. Karan Yudhishtir Verma (Non-executive, Independent Director)	Member of the Committee
4.	Mrs. Sudha Sukeh Gandhi (Non-executive, Independent Director)	Member of the Committee
5.	Secretarial Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Share Transfer Committee with a quorum requirement for each Share Transfer Committee meeting is of attendance of minimum two (2) members, out of which at least one (1) shall be amongst the Executive (Promoter) Director/s and other one (1) shall be an independent director and that the Share Transfer Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) to consider, review and ratify, on the quarterly basis, all the transfer, transmission, transposition, deletion of name, re-materialisation of shares, issue of duplicate shares, consolidation, splitting of shares and ratify dematerialisation of shares, duly approved by the Company Secretary and in his absence, the Chief Financial Officer of the Company on weekly (regular) basis to comply with the directions issued by the SEBI and such other authorities;
- (b) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the Board pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby constituted consisting of the following Members, viz.,

Sr. No.	Name of the Director / Member / Invitee	Designation
1.	Mr. Arun Raghivir Raj Bhandari [Managing Director (Promoter)]	Chairman of the Committee
2.	Mr. Lalit Bhandari [Whole-time Director (Promoter)]	Member of the Committee
3.	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee
4.	Mr. Karan Yudhishtir Verma (Non-executive, Independent Director)	Member of the Committee
5.	Secretarial Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Risk Management Committee with a quorum requirement for each Risk Management Committee meeting is of attendance of minimum two (2) members, out of which at least one (1) shall be amongst the Board of Director/s and other one (1) shall be the Executive of the Company and that the Risk Management Committee shall act in accordance with the terms of reference specified which shall, *inter alia*, includes —

- (a) oversight of risk management performed by the executive management; reviewing the Business Risk Evaluation and Management (BREM) policy and framework in line with local & legal requirements and SEBI guidelines;
- (b) reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- (c) defining framework for identification, assessment, monitoring, mitigation and reporting of risks;
- (d) within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan, to identify, monitor and minimise risks as also identify business opportunities; laying down and recommendations of the procedures for risk assessment and risk minimisation procedures to the Board who shall be responsible for framing, implementing and monitoring the risk management plan of the Company; and
- (e) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **PROJECT MONITORING COMMITTEE**

The Project Monitoring Committee of the Board pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time, be and is hereby constituted consisting of the following Members, viz.,

<b>Sr. No.</b>	<b>Name of the Director / Member / Invitee</b>	<b>Designation</b>
1.	Mr. Arun Raghivir Raj Bhandari [Managing Director (Promoter)]	Chairman of the Committee
2.	Mr. Lalit Bhandari [Whole-time Director (Promoter)]	Member of the Committee
3.	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee
4.	Mr. Karan Yudhishthir Verma (Non-executive, Independent Director)	Member of the Committee
5.	CA Sharad Mohanlal Khandelwal (Chief Financial Officer)	Invitee to the Committee
6.	Statutory Auditors	Invitee to the Committee
7.	Secretarial Auditors	Invitee to the Committee
8.	Cost Auditors	Invitee to the Committee
9.	Internal Auditors	Invitee to the Committee

and that CS Chandrakant Shivshankar Nimje, Company Secretary of the Company shall act as a Secretary of the Project Monitoring Committee with a quorum requirement for each Project Monitoring Committee meeting is of attendance of minimum two (2) members, out of which at least one (1) shall be amongst the Executive Director/s and other one (1) shall be an independent director and that the Project Monitoring Committee shall act in accordance with the terms of reference specified which shall, *inter-alia*, includes —

- (a) To explore new capital project/s to be implemented in the overall interest of the Company including its viability study, utility to the business affairs of the Company, cost – benefit analysis;
- (b) To review and examine the progress of the capital project/s in line with the authorisation, milestones, targets and objectives;
- (c) To foreclosing, dropping or modification in the components of the capital project/s, within the overall approved objectives, budget and timeframe;
- (d) To update in timely interval to the Board of Directors of the Company about the progress of the capital project/s; and
- (d) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations], to the extent applicable from time to time.

## **ANNEX – C TO BOARD'S REPORT**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

#### **A. CONSERVATION OF ENERGY**

##### **(i) The steps taken or impact on conservation of energy**

The Company has been giving utmost priority to conservation of various forms of energy used in the manufacturing process. The major conservation measures implemented so far are optimization of utility output to match process requirement thereby reducing wasteful running of equipment and timely replacement or servicing wherever required. Progressively, we are replacing normal Star Delta Starters with VFD'S for various machines.

Total energy consumption and energy consumption per unit production is as follows :-

S No.	Particulars	FY 2016-2017	FY 2015-2016
A	Power & Fuel Consumption		
1	Electricity		
	Purchased Units (in lakh)	122.48	109.65
	Total Amount (Rupees in lakh)	819.04	879.88
	Rate per Unit (in Rupees)	6.68	8.02
2	Furnace Oil		
	Quantity (MT)	503.502	502.528
	Total Amount (Rupees in lakh)	129.06	125.18
	Average Rate in Rupees (per kg)	25.63	24.91
3	Coal Lumps & Fire Wood		
	Quantity (MT)	883.845	1332.06
	Total Amount (Rupees in lakh)	35.46	53.44
	Average Rate in Rupees (per kg)	4.01	4.01

##### **(ii) The steps taken by the Company for utilising alternate sources of energy**

Presently, the Company do not have any alternate sources of energy for internal generation of power (captive, surplus or otherwise). However, the management of the Company is exploring an alternative sources of energy like solar, wind, thermal or otherwise for internal generation of power for captive purposes.

##### **(iii) The capital investment on energy conservation equipments**

The Company has not made any capital investment on energy conservation equipment/s.

#### **B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT**

##### **(i) The efforts made towards technology absorption**

The Company has imported a technology from a foreign company for producing a special grade of Aluminum Powder and fully absorbed.

##### **(ii) The benefits derived like product improvement, cost reduction, product development or import substitution**

The Company has developed concrete grade aluminium powder for producing AAC Blocks in India and abroad.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

During last three financial years, the Company has not imported any technology from abroad.

- (a) The details of the technology imported : Not Applicable
- (b) The year of import : Not Applicable
- (c) Whether the technology been fully absorbed : Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable

- (iv) The expenditure incurred on Research and Development

The Company does not have a separate independent research and development activity. As such, no material amount of expenditure was incurred on research and development activity of the Company.

#### C. FOREIGN EXCHANGE EARNINGS / OUTGO

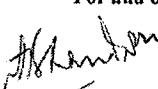
The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

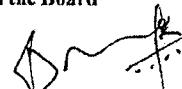
The foreign exchange earned (on account of services or otherwise) in terms of actual inflows during the financial year 2016-2017 under review and the foreign exchange outgo (on account of value of imports, remittances in foreign currency or otherwise) during the financial year 2016-2017 under review in terms of actual outflows are as follows :-

Particulars	Amount in Rupees Lakh	
	FY 2016-2017	FY 2015-2016
Foreign Exchange earned (on account of sale of services or otherwise) in terms of actual inflows - On Account of Export FOB Value	1059.00	1193.19
Foreign Exchange outgo (on account of value of imports, remittances in foreign currency or otherwise) in terms of actual outflows -		
Raw Material	12.68	12.90
Store Goods	3.04	00.00
Capital Goods	16.87	5.76
<u>Expenditure in Foreign Currency (Remittances)</u>		
Commission on Export sales	3.78	13.91
Royalty on Technical know how	32.48	20.52
Travelling Expenses (Other)	2.86	7.89
Total Foreign Exchange Outgo	71.71	60.98

For and on behalf of the Board

Place : Nagpur  
Dated : 18 August 2017

  
Arun Bhandari  
Managing Director  
DIN - 00008901

  
Lalit Bhandari  
Whole-time Director  
DIN - 00010934

## **ANNEX – D TO BOARD'S REPORT**

### **Form No. AOC-2**

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act  
read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### **1. Details of material contracts or arrangements or transactions not at arm's length basis**

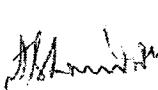
The Company has not entered into any contracts or arrangements or transactions with its related parties which is not at arm's length during the financial year 2016-2017.

#### **2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
M/s. Star Circlips and Engineering Limited	Job Work	Continuing Contact	The Company is doing job work for Springs and Washer against raw materials supplied by M/s. Star Circlips and Engineering Limited	01.04.2016	Consideration received during the FY 2016-2017 Rs.1,43,53,000/-
M/s. Mayank Fastners Private Limited	Rent	Continuing Contact	Leave and Licence Agreement for Registered Office of the Company	01.04.2016	Consideration paid during the FY 2016-2017 Rs.90,000/-
Ms. Rohini Arun Bhandari	Legal Advisor	Continuing Contact / Arrangement	Legal Advisory and Consultancy Services	01.04.2016	Consideration paid during the FY 2016-2017 Rs.12,00,000/-
Mr. Mayank Arun Bhandari	Technical Consultants	Continuing Contact / Arrangement	Technical Advisory and Consultancy Services	01.04.2016	Consideration paid during the FY 2016-2017 Rs.30,00,000/-
Toyal MMP India Private Limited	Joint Venture (Associate) Company	Specific Transaction	Sale of Leasehold Land	03.05.2016	Total Consideration Rs. 7,00,43,000/-
Toyal MMP India Private Limited	Joint Venture (Associate) Company	Continuing Contact / Arrangement	Technical Advisory and Consultancy Services	27.07.2016	Consideration received during the FY 2016-2017 Rs.75,00,000/-

For and on behalf of the Board

Place : Nagpur  
Dated : 18 August 2017

  
Arun Bhandari  
Managing Director  
DIN – 00008901

  
Lalit Bhandari  
Whole-time Director  
DIN - 00010934

## ANNEX – E TO BOARD'S REPORT

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31-03-2017

Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management & Administration) Rules, 2014

### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U 32300 MH 1973 PLC 030813
2.	Registration Date	8 October 1973
3.	Name of the Company	MMP Industries Limited
4.	Category/Sub-category of the Company	Private Limited Company, Company Limited By Shares, Indian Non-Government Company
5.	Address of the Registered Office & contact details	211, Shrimohini, 345, Kingsway, Nagpur 440001, Maharashtra, India Contact No. : +91 712 2524645, 2533585 / 2530461 e-mail id : companysecretary@mmpil.com
6.	Whether listed company Yes / No	No
7.	Name, Address & Contact details of Registrar & Transfer Agent, if any.	Not Applicable

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

[All the business activities contributing 10% or more of the total turnover of the company shall be stated]

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Aluminum Powders and Pastes	3039	68.90
2.	AluminumConductors and Reinforcement	3610	28.11

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1.	Star Circlips sand Engineering Limited B-24, MIDC Area, Hingna Road, Nagpur 440016, MH, IN	U24110MH1974PLC017301	Associate	26.06	2(6)
2.	Toyal MMP India Private Limited, 211, Shrimohini,345, Kingsway, Nagpur 440001, MH, IN	U36990MH2016FTC281521	Associate	26.00	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### 1. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>							
a) Bodies Corporate							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals							
i) Shareholders holding nominal share capital up to Rs. 1 lakh	1327850	1327850	16.02	0	0	0	(16.02)
ii) Shareholders holding nominal share capital in excess of Rs 1 lakh	966010	966010	11.65	0	0	0	(11.65)

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>c) Others (specify)</b>								
Non Resident Indians	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>2293860</b>	<b>2293860</b>	<b>27.67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(27.67)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>2293860</b>	<b>2293860</b>	<b>27.67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(27.67)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>								
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>8290050</b>	<b>8290050</b>	<b>100.00</b>	<b>0</b>	<b>8290050</b>	<b>100.00</b>	<b>0.00</b>

2. Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Arun Bhandari	2825572	34.09	-	3093094	37.31	-	3.22
2.	Mr. Mayank Bhandari	167675	2.02	-	247706	2.99	-	0.97
3.	Ms. Rohini Bhandari	49700	0.60	-	99700	1.20	-	0.60
4.	Mrs. Saroj Bhandari	1395893	16.84	-	1446092	17.45	-	0.61
5.	Mrs. Sakshi Bhandari	173600	2.09	-	173600	2.09	-	-
6.	M/s. Mayank Fasteners Private Limited	928750	11.20	-	2126374	25.65	-	14.45
7.	M/s. Star Circclips and Engineering Limited	400000	4.83	-	400000	4.83	-	-
8.	M/s. Rohini Horticulture Private Limited	55000	0.66	-	55000	0.66	-	-
9.	Master Vivaan Mayank Bhandari	0	0	-	648484	7.82	-	7.82
<b>TOTAL</b>		<b>5996190</b>	<b>72.33</b>	<b>-</b>	<b>8290050</b>	<b>100.00</b>	<b>-</b>	<b>27.67</b>

3. Change in Promoters' Shareholding (please specify, if there is no change)

**Mr. Arun Raghuvir Raj Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	2825572	34.09	2825572	34.09
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
15.06.2016		249500	3.00	3075072	37.09
30.12.2016		18022	0.22	3093094	37.31
3	At the end of the year			3093094	37.31

**Mrs. Saroj Arun Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	1395893	16.84	1395893	16.84
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
15.06.2016		50200	0.61	1446093	17.45
30.12.2016		(1)	(0.00)	1446092	17.45
3	At the end of the year			1446092	17.45

**Mr. Mayank Arun Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year			167675	2.02
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
	15.06.2016	80300	0.97	247975	2.99
	30.12.2016	1	0.00	247976	2.99
3	At the end of the year			<b>247976</b>	<b>2.99</b>

**Mrs. Sakshi Mayank Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	173600	2.09	173600	2.09
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
		-	-	-	-
3	At the end of the year			<b>173600</b>	<b>2.09</b>

**Ms. Rohini Arun Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	49700	0.60	49700	0.60
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.): 15.06.2016				
3	At the end of the year	50000	0.60	99700	1.20

**Master Vivaan Mayank Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.): 30.12.2016				
3	At the end of the year	648484	7.82	648484	7.82

**M/s. Star Circleps and Engineering Limited**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	400000	4.83	400000	4.83
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
		-	-	-	-
		-	-	-	-
		-	-	-	-
3	At the end of the year			400000	4.83

**M/s. Mayank Fasteners Private Limited**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	928750	11.20	928750	11.20
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
15.06.2016		1197624	14.45	2126374	25.65
3	At the end of the year			2126374	25.65

**M/s. Rohini Horticulture Private Limited**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	55000	0.66	55000	0.66
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.);				
3	At the end of the year			55000	0.66

**4. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Shareholding of each Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vinod Kumar Chaudary	90800	1.10	0	0.00
2	Kamal Singh Kothari	70000	0.84	0	0.00
3	Sudhir G. Munje	70000	0.84	0	0.00
4	S.R. Bhansali	51200	0.62	0	0.00
5	Jugal Kumar Gupta	35444	0.43	0	0.00
6	Bhanwar Lal Gupta	32000	0.39	0	0.00
7	K. Gangadhar Nair	31030	0.37	0	0.00
8	Surendra S. Rathore	31000	0.37	0	0.00
9	Bhagwan Singh	30400	0.37	0	0.00
10	Vinod Gupta	30000	0.36	0	0.00
	<b>TOTAL</b>	<b>471874</b>	<b>5.69</b>	<b>0</b>	<b>0.00</b>

5. Shareholding of Directors and Key Managerial Personnel (other than Promoters and Top 10 Shareholders)

**Mr. Lalit Ranjeet Raj Bhandari**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	117600	1.42	117600	1.42
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
20.05.2016		101200	1.22	218800	2.64
15.06.2016		(101200)	(1.22)	117600	1.42
15.06.2016		(117600)	(1.42)	0.00	0.00
3	At the end of the year			0.00	0.00

**Mr. Madan Mohan Chandulal Agrawal**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	76230	0.92	76230	0.92
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):				
30.12.2016		(76230)	(0.92)	0.00	0.00
3	At the end of the year			0.00	0.00

**Mr. Hemant Anand Jahangirdar**

Sr. No.	Particulars			Shareholding at the beginning of the year No. of shares % of total shares of the Company	Cumulative Shareholding during the year No. of shares % of total shares of the Company
1	At the beginning of the year			70800	0.85
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.);				
	20.05.2016			107500	1.30
	15.06.2016			(107500)	(1.30)
	30.12.2016			(70800)	(0.85)
3	At the end of the year			0.00	0.00

**Mr. Karan Yudhishthir Verma**

Sr. No.	Particulars			Shareholding at the beginning of the year No. of shares % of total shares of the Company	Cumulative Shareholding during the year No. of shares % of total shares of the Company
1	At the beginning of the year			0	0
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.);				
				-	-
3	At the end of the year			0	0.00

**Mr. Ajay Sadashiv Gokhale**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	0	0.00	0	0.00
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	-	-	0	0.00

**CS Chandrakant Shivshankar Nimje**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	0	0.00	0	0.00
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	-	-	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	320,465,040	73,713,747	0	394,178,787
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	860,277	0	0	860,277
<b>Total (i+ii+iii)</b>	<b>321,325,317</b>	<b>73,713,747</b>	<b>0</b>	<b>395,039,064</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	7,789,453	5,564,347	0	13,353,800
ii) Reduction	(224,319)	0	0	(224,319)
<b>Net Change</b>	<b>7,565,134</b>	<b>5,564,347</b>	<b>0</b>	<b>13,129,481</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	328,254,493	79,278,094	0	407,532,587
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	635,958	0	0	635,958
<b>Total (i+ii+iii)</b>	<b>328,890,451</b>	<b>79,278,094</b>	<b>0</b>	<b>408,168,545</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager**

Sr. No.	Particulars	Name of MD / WTD / Manager		Total Remuneration
1	Gross Salary	Mr. Arun Raghuvir Raj Bhandari Managing Director	Mr. Lalit Ranjeet Raj Bhandari Whole-time Director	Mr. Madan Mohan Chandulal Agrawal Whole-time Director
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600,000	1,227,705	240,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0 0	0 0	0 0
5	Others, please specify *Contribution to PF	432,000	68,400	500,400
	<b>Total</b>	4,032,000	1,296,105	240,000
	Ceiling as per the Companies Act			5,568,105 (@10% of Rs. 1608.09 Lakh)

**B. Remuneration of Other Directors**

Sr. No.	Particulars	Name of Director			Total Remuneration
		Mr. Hemant Anand Jahangirdar	Mr. Ajay Sadashiv Gokhale	Mr. Karan Yudhishthir Verma	
<b>1</b>	<b>Independent Directors</b>				
	Fees for attending board / committee meetings (Sitting Fee)	0	5,000	25,000	30,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	0	5,000	25,000	30,000
<b>2</b>	<b>Other Non-Executive Directors:</b>				
	Fee for attending board / committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (2)</b>	0	0	0	0
	<b>Total (B)=(1+2)</b>	0	5,000	25,000	30,000
	Total Managerial Remuneration (A+B)	0	5,000	25,000	30,000
	Overall Ceiling as per the Companies Act			Not Applicable	

**C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD**

Sr.No.	Particulars	Name of Key Managerial Personnel			Total Remuneration
		CS Chandrakant Shivshankar Nimje Company Secretary*	CEO	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify	0 0	0 0	0 0	0 0
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Companies Act	Not Applicable	Not Applicable	Not Applicable	Not Applicable

\* CS Chandrakant Shivshankar Nimje was appointed as a Company Secretary and Compliance Officer of the Company effective 21 March 2017. However, no remuneration was paid during the financial year 2016-2017 period 21 March 2017 to 31 March 2017 due to his absence.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
i. Penalty					
ii. Punishment					
iii. Compounding					
<b>B. Director/s</b>					
i. Penalty					
ii. Punishment					
iii. Compounding					
<b>C. Other Officers in default</b>					
i. Penalty					
ii. Punishment					
iii. Compounding					

For and on behalf of the Board



Place : Nagpur  
Dated : 18 August 2017



Lalit Bhandari  
Managing Director  
DIN - 00008901  
Whole-time Director  
DIN - 00010934

## ANNEX F - TO BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Sr. No.	Particulars	Particulars														
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Board of Directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee to implement or monitor implementation of CSR activities as per the CSR Policy of the Company.</p> <p>The CSR activities are carried out and monitored mainly through in-house Departments of the Company. The Contributions or donations made to such other Organisation or Institutions as may be permitted under the applicable provisions from time to time.</p> <p>The CSR Committee has formulated a comprehensive Corporate Social Responsibility (CSR) Policy to cover various activities like Promotion of Education and Health Care, Rural Development, Water Conservation, Protection of Flora and Fauna, Environment Sustainability and other activities or project/s, which are in accordance with the provisions of Section 135 of, Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Members are requested to refer the CSR Policy of the Company for more specific details.</p>														
2.	The Composition of the CSR Committee	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name</th><th style="text-align: center;">Designation</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">Mr. Arun Raghivir Raj Bhandari (Managing Director)</td><td style="text-align: center;">Chairman of the Committee</td></tr> <tr> <td style="text-align: center;">Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)</td><td style="text-align: center;">Member of the Committee</td></tr> <tr> <td style="text-align: center;">Mrs. Sudha Sukesh Gandhi (Non-executive, Independent Director)</td><td style="text-align: center;">Member of the Committee</td></tr> <tr> <td style="text-align: center;">CA Sharad Mohanlal Khandelwal (Chief Financial Officer)</td><td style="text-align: center;">Invitee to the Committee</td></tr> <tr> <td style="text-align: center;">Statutory Auditors</td><td style="text-align: center;">Invitee to the Committee</td></tr> <tr> <td style="text-align: center;">Secretarial Auditors</td><td style="text-align: center;">Invitee to the Committee</td></tr> </tbody> </table>	Name	Designation	Mr. Arun Raghivir Raj Bhandari (Managing Director)	Chairman of the Committee	Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee	Mrs. Sudha Sukesh Gandhi (Non-executive, Independent Director)	Member of the Committee	CA Sharad Mohanlal Khandelwal (Chief Financial Officer)	Invitee to the Committee	Statutory Auditors	Invitee to the Committee	Secretarial Auditors	Invitee to the Committee
Name	Designation															
Mr. Arun Raghivir Raj Bhandari (Managing Director)	Chairman of the Committee															
Mr. Ajay Sadashiv Gokhale (Non-executive, Independent Director)	Member of the Committee															
Mrs. Sudha Sukesh Gandhi (Non-executive, Independent Director)	Member of the Committee															
CA Sharad Mohanlal Khandelwal (Chief Financial Officer)	Invitee to the Committee															
Statutory Auditors	Invitee to the Committee															
Secretarial Auditors	Invitee to the Committee															
3.	Average net profit of the Company for last three financial years (Amount in Rupees)	<p style="text-align: center;">FY 2016-2017 : Rs. 782.60 Lakh            FY 2015-2016 : Rs. 447.29 Lakh            FY 2014-2015 : Rs. 280.38 Lakh</p>														
4.	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 3 above]	<p style="text-align: center;">FY 2016-2017: Rs. 15.65 Lakh            FY 2015-2016 : Rs. 8.95 Lakh            FY 2014-2015 : Rs. 5.61 Lakh</p>														
5.	Details of amount spent during the financial year on CSR activities															
(a)	Total amount to be spent for the Financial Year	<p style="text-align: center;">FY 2016-2017 : Rs. 28.50 Lakh (including of previous FY)            FY 2015-2016 : Rs. 14.56 Lakh (including of previous FY)            FY 2014-2015 : Rs. 5.61 Lakh (pertaining to current FY)</p>														
(b)	Amount unspent, if any	<p style="text-align: center;">FY 2016-2017 : Nil, Hence Not Applicable            (Refer Explanation at Sr. No. 6)            FY 2015-2016 : Rs. 12.85 Lakh (including of previous FY)            FY 2014-2015 : Rs. 5.61 Lakh (pertaining to current FY)</p>														
(c)	Manner in which the amount spent during the financial year	Refer Annex for CSR Expenditure														

**ANNEX FOR CSR EXPENDITURE**

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (i) Local area or other (ii) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
				1 Direct expenditure on projects or programs		
				2 Overhead		
Education for Mentally Disabled Children/s.	Special Education	Nagpur (Rural, Urban and District) in the State of Maharashtra	2,40,000.00	2,40,000.00	2,40,000.00	Implementing Agency namely Sandhya Sanwardhan Sanstha
Education for Eligible Children/s	Education	---!!--	33,000.00	33,000.00	2,73,000.00	Company
Medical facilities and treatment to Poor People/s	Health Care	---!!--	65,146.00	65,146.00	3,38,146.00	Company
Spousership for Research and Development in the field of Education	Education	---!!--	19,93,706.00	0.00*	23,31,852.00	Implementing Agency namely Ankush Shikshan Sanstha
Sponsorship for Education of Eligible Student/s	Education	---!!--	5,51,000.00	0.00*	28,82,852.00	Implementing Agency namely Ankush Shikshan Sanstha

\* Refer Explanation at Sr. No. 6

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

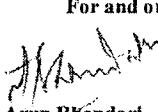
The Company has failed to spend the requisite sum equivalent to two percent of the average net profit of the last three financial years or any part thereof, during the financial year 2014-2015 and 2015-2016. However the Company has implemented aforesaid CSR projects during the financial year 2016-2017 to cover not only the shortfall in the CSR spending pertaining to the financial year/s 2014-2015 and 2015-2016 but also CSR spending of the current financial year 2016-2017. The Company has either incurred certain sum/s during the financial year 2016-2017 or committed certain sum/s for CSR spending as and when required from time to time by the said implementing agency.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation of CSR Policy is in compliance with the CSR Objectives and Policy of the Company. The Company do confirms that the Company is in due compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR project/s of the Company are in accordance with the provisions of Section 135 of, Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Company's CSR Policy.

**For and on behalf of the Board**

Place : Nagpur  
Dated : 18 August 2017

  
**Arun Bhandari**  
 Managing Director  
 DIN - 00008901

  
**Lalit Bhandari**  
 Whole-time Director  
 DIN - 00010934

## **ANNEX – G TO BOARD'S REPORT**

### **CERTIFICATE**

#### **Sexual Harassment of Women at the Workplace and its Prevention, Prohibition & Redressal**

**[Pursuant to Section 22 & 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013]**

This is to certify that :-

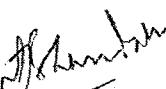
MMP Industries Limited ("the Company") has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc) are covered under this Policy.

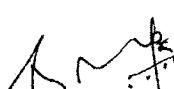
The following is the summary of sexual harassment complaints received and disposed off during the current financial year under review i.e. Financial Year 2016-2017 ended 31 March 2017 :-

Number of Complaints received	Nil
Number of Complaints disposed off	Nil, Hence Not Applicable

**For and on behalf of the Board**

Place : Nagpur  
Dated : 18 August 2017

  
Arun Bhandari  
Managing Director  
DIN – 00008901

  
Lalit Bhandari  
Whole-time Director  
DIN - 00010934

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MMP INDUSTRIES LIMITED****Report on the Standalone Financial Statement**

We have audited the accompanying Standalone Financial Statements of MMP Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

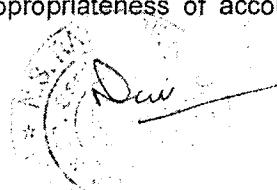
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies ( Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We Conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies



# N.S. RATHORE & CO.

CHARTERED ACCOUNTANTS

N.S. VYAS F.C.A.  
NIRAJ RATHORE A.C.A.

Phone : 2375728

2361830

59, Sardar Patel Marg  
Jaipur-302 001

*used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014;
  - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164 (2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



# N.S. RATHORE & CO.

CHARTERED ACCOUNTANTS

N.S. VYAS F.C.A.  
NIRAJ RATHORE A.C.A.

Phone : 2375728

2361830

59, Sardar Patel Marg  
Jaipur-302 001

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies ( Audit and Auditors) Rule,2014,in our opinion and to the best of our information and according to the explanations given to us :

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statement- Refer Note No. 27 to the financial statements;
  - ii. the Company did not have any long term contracts; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) order,2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

For N.S. RATHORE & CO.  
Chartered Accountants  
(Registration No.:012414C)

*N. Vyas*

(N.S. VYAS)  
PARTNER  
Membership No. 010937

PLACE: JAIPUR  
DATE : 18/08/2017



### **ANNUXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(F) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

#### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act,2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MMP Industries Limited ("the Company") as of March 31,2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act,2013,to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of



# N.S. RATHORE & CO.

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material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

### OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31,2017,based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For N.S.RATHORE & COMPANY  
Chartered Accountants  
(Registration No.-012414C)

*N.S. VYAS*

(N.S. VYAS)

PARTNER

Membership No. F10937

Place : Jaipur

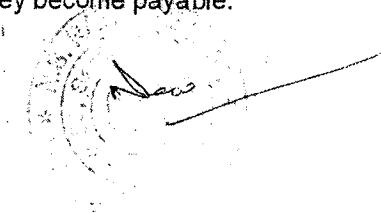
Date : 18/08/2017



### **ANNUXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph (2) Under 'Report on other Legal and Regulatory Requirements' of our report of even date for the Year Ended 31.03.2017 of **MMP INDUSTRIES LIMITED**

- i) On the basis of such checks as we considered appropriate and in terms of information & explanation given to us we state that :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans secured or unsecured, to companies, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposits from the public.
- vi) The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 and such accounts and records have been made and maintained.
- vii) (a) In our opinion and according to the information and explanation given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they become payable.



**N.S. RATHORE & CO.**

CHARTERED ACCOUNTANTS

N.S. VYAS F.C.A.  
NIRAJ RATHORE A.C.A.

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(b) Details of dues of Income-tax ,Sales Tax and Excise Duty which have not been deposited as on March 31,2017 on account of disputes are given below: -

Name of the Statue	Nature of the Dues	Forum dispute pending where is	Period to which the amount is related	Amount Involved in (''.in lakh)
Sales Tax Act applicable to State and CST.	Sales Tax	Various Appellate Authorities	Financial year 2001-2002 2002-2003 2003-2004 2004-2005  <b>Total</b>	3.32 9.52 4.36 36.17  <b>53.37</b>
Income Tax Act,1961	Income Tax	Commissioner of Income tax (Appeal)	Financial Year 2012-13 (Rs.1.84 lacs) & 2015-16(Rs.1.25 lacs)	3.09
Central Excise Act 1944	Excise Duty & Service Tax  Excise Duty	Additional Commissioner Nagpur-II  Central Excise	Period : March12 to Sept'15  -  <b>Total</b>	22.19   <b>174.00</b>  <b>196.19</b>

- viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- ix) In our opinion, the term loans have been applied for the purpose for which they were raised.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.



# **N.S. RATHORE & CO.**

CHARTERED ACCOUNTANTS

N.S. VYAS                    F.C.A.  
NIRAJ RATHORE            A.C.A.

Phone : 2375728

2361830

59, Sardar Patel Marg

Jaipur-302 001

- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act,2013,where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc.as required by the applicable accounting standards.
  
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
  
- xv) In our opinion and according to the information and explanations given to us,during the year the Company has not entered into any non-cash transaction with the directors or persons connected with him and hence provisions of Section 192 of the Companies Act,2013 are not applicable.
  
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Place : Jaipur

Date : 18/08/2017

**For N.S.RATHORE & COMPANY**  
**Chartered Accountants**  
**(Registration No.-012414C)**

*N.S.VYAS*

**(N.S. VYAS)**

**PARTNER**

**Membership No. F10937**



**MMP INDUSTRIES LIMITED**

Balance Sheet as at March 31, 2017

	Note No.	As at 31st March, 2017 (Amount in ₹.)	As at 31st March, 2016 (Amount in ₹.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds :</b>			
Share Capital	2	82900500	82900500
Reserve & Surplus	3	381823390	235101726
		<b>464723890</b>	<b>318002226</b>
<b>Non-current Liabilities</b>			
Long Term Borrowing	4	69751992	83129694
Deferred Tax Liabilities	5	44035648	38591729
		<b>113787640</b>	<b>121721423</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	320665997	280667072
Trade payables	7	84409273	93091815
Other current liabilities	8	50703859	71583637
Short-term provisions	9	13917962	9022106
		<b>469697091</b>	<b>454364629</b>
	<b>TOTAL</b>	<b>1048208622</b>	<b>894088278</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	366610335	367452451
Intangible Assets	10	27500	27500
Capital Work-in-Progress	10	5425051	8694962
		<b>372062886</b>	<b>376174913</b>
Non current investment	11	80036890	11154890
Long-term loans and advances	12	4199574	3636550
		<b>84236464</b>	<b>14791440</b>
<b>Current Assets</b>			
Inventories	13	199539664	185750087
Trade Receivable	14	343359721	272158628
Cash & Bank Balances	15	17162940	14737998
Short Term Loans & Advances	16	3684903	3911096
Other Current Assets	17	28162044	26564116
		<b>591909271</b>	<b>503121925</b>
	<b>TOTAL</b>	<b>1048208622</b>	<b>894088278</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	0	0

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

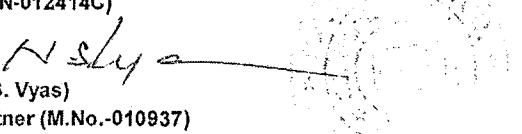
As per our report of even date attached

For and on behalf of the board

For N.S. RATHORE & CO.

Chartered Accountants

(FRN-012414C)

  
(N.S. Vyas)  
Partner (M.No.-010937)  
Place : Jalpur  
Date : 18/08/2017

  
(ARUN BHANDARI)  
Managing Director  
Place : Nagpur  
Date : 18/08/2017

  
(LALIT BHANDARI)  
Director

MMP INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended March 31,2017

	Note No.	Year Ended March, 2017 (Amount in ₹.)	Year Ended March, 2016 (Amount in ₹.)
<b>INCOME</b>			
Revenue from operations(Gross)	18	2256851327	2006945934
Less: Excise Duty		233374538	201256532
<b>Revenue from operations(Net)</b>		<b>2023476789</b>	<b>1805689402</b>
Other Income	19	62323879	6385157
<b>TOTAL INCOME</b>		<b>2085800667</b>	<b>1812074560</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	20	1476272150	1268830248
Purchase of Stock-in -Trade		166145	1145000
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade	21	(23414701)	(2392662)
Employee benefit expenses	22	133411464	108434756
Financial Cost	23	42256600	66249289
Depreciation and amortization expenses	24	18172976	16168523
Others Expenses	25	236673765	234128363
<b>TOTAL EXPENDITURE</b>		<b>1883538399</b>	<b>1692563518</b>
<b>PROFIT BEFORE TAX</b>		<b>202262269</b>	<b>119511042</b>
<b>TAX EXPENSE :</b>			
Current Tax		50000000	30000000
Deferred Tax		5443919	8032607
Income Tax relating to earlier year		1885685	(16026)
<b>PROFIT FOR THE YEAR</b>		<b>144932665</b>	<b>81494461</b>
<b>EARNING PER EQUITY SHARE</b>			
Basic and Diluted ( in ₹ )		17.48	9.83

SIGNIFICANT ACCOUNTING POLICIES 1

THE ACCOMPANYING NOTES AS FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached

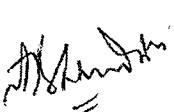
For and on behalf of the board

For N.S. RATHORE & CO.

Chartered Accountants

(FRN-012414C)

(N.S. Vyas)  
Partner (M.No.- 010937)  
Place : Jaipur  
Date : 18/08/2017

  
(ARUN BHANDARI)  
Managing Director  
Place : Nagpur  
Date : 18/08/2017

  
(LALIT BHANDARI)  
Director

**MMP INDUSTRIES LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH ,2017

	PARTICULARS	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>A . Cash Flow from Operating Activities</b>			
Profit before taxation as per P& L Account	202262269	119511042	
<b>Adjustments for</b>			
Depreciation	18172976	16168523	
Interest Income	(2045989)	(2066894)	
Finance Cost	39011967	54204220	
Unlearised( Gain)/Loss on Foreign Exchange Fluctuation	3244633	12045069	
Profit/loss on sale of fixed assets			(7367)
Profit/loss on sale of Lease Hold Land	(46663444)		
Profit /loss on sale of Investments	(564480)		
<b>Operating profit before working capital Changes</b>	<b>213417932</b>	<b>199854594</b>	
(Increase ) decreased in inventories	(13789577)	8415721.69	
(Increase ) decreased in trade and other receivables	(71201093)	5208464	
(Increase ) decreased in Loans and advances	(336831)	3087649.90	
(Increase ) decreased in other current assets	(1597928)	(10945436)	
Increased / ( decreased) in Current Liabilities	(16294896)	(40588246)	
Sales Tax Incentive Received	1789000	777,000.00	
<b>Cash Generated from Operation</b>	<b>111986607</b>	<b>165809748</b>	
Direct taxes Paid	(46989829)	(23703744)	
<b>Net Cash from operating activities</b>	<b>64996778</b>	<b>142106004</b>	
<b>B Cash flow from Investing Activities</b>			
Investment in Fixed Assets including Capital WIP	(14060949)	(33559946)	
Profit/loss on sale of Fixed Assets	46663444	7367	
Profit/loss on sale of Investment	564480		
Increase /Decrease in investments	(6882000)	-	
Interest received	2045989	2066894	
<b>Net Cash used in investing Activities</b>	<b>(33669036)</b>	<b>(31485685.40)</b>	
<b>C . Cash flow from financing Activities</b>			
Financial Cost	(42256600)	(66249289)	
Term loan Received	-	-	
Repayment of Term loan	(32690431)	(28472022)	
Short Term Borrowing	39998925	3916842	
Long term Unsecured Loan from others	6045306	(6967822)	
<b>Net cash from Financing Activities</b>	<b>(28902800)</b>	<b>(97772291)</b>	
<b>Net increase /decrease in Cash and cash equivalent</b>	<b>2424942</b>	<b>12848027.17</b>	
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>14737998</b>	<b>1889970</b>	
<b>Cash and Cash equivalents at the End of the year</b>	<b>17162940</b>	<b>14737998</b>	

Note : Figure in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For N.S.Rathore & Co.  
FRN-012414C

*N.S.R*  
(N.S.Vyas)  
Partner (M.No.-010937)

Place : Jaipur  
Date : 18/08/2017

Place : Nagpur  
Date : 18/08/2017

*Arun Bhandari*  
(Arun Bhandari)  
Managing Director

*Alit Bhandari*  
(Alit Bhandari)  
Director

**MMP INDUSTRIES LIMITED**  
(Formerly known as Maharashtra Metal Powders Limited)

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**NOTES FORMING PART OF FINANCIAL STATEMENT**

**a. Nature of Operation**

The company is manufacturing Aluminium Powder, Aluminium Pyro & Flake Powder, Paste and Aluminium Conductor.

The Company is also engage in trading and manufacturing of MNO and MNO<sub>2</sub> powder.

**b. Basis of Accounting**

These financial statements have been prepared to comply with the General Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act 2016.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

**1. Significant Accounting Policies**

**i) Fixed Assets**

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition/construction of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they related to the period till such assets are ready for commercial use.

**ii) Impairment of Fixed Assets**

At balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an assets exceeds its recoverable amounts.

**iii) Depreciation**

Depreciation is provided on straight line method at the rates specified in Schedule II to the Companies Act,2013 except depreciation on Fixed Assets related to MIDC Hingna unit has been provided on WDV method at the rate and in the manner provided in Schedule II of Companies Act,2013

*Dev*

**iv) Investment**

Investment are stated at cost.

**v) Inventories**

Finished Goods are valued at cost and market value whichever is lower. Raw Material, Packing Material and Stores are valued at cost net of on First In First Out Method.

**vi) Industrial Promotion Subsidy under PSI 2007**

Incentive in the nature of Capital are credited to Capital reserve and treated as part of Reserve & Surplus .

**vii) Borrowing Cost**

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost. Borrowing costs that are directly attributable to the acquisition or Construction of qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalisation is determined in accordance with Accounting Standard 16(AS 16) on "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred.

**vii) Revenue Recognition**

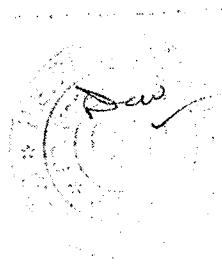
Sales and other income are accounted on accrual basis. Sales is inclusive of Excise Duty and exclude VAT/CST. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

**ix) Foreign Currency Transactions**

Normal Exchange differences at the time of settlement are dealt with in the Profit & Loss account. Monetary assets and liabilities in foreign currency existing at the Balance Sheet date are translated at the year-end exchange rates. Exchange difference arising on forward contract is recognised as income or expense over the life of the contract. Any Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense for that period. Exchange rate difference in respect of purchase of Fixed Assets is adjusted in the carrying amount of respective Fixed Assets.

**x) Research & Development**

Capital Expenditure on Research & Development is treated in the same way as expenditure on fixed assets. The revenue expenditure on Research & Development is Written- off in the year in which it is incurred.

A handwritten signature in black ink, appearing to read "R. D. S. D.", is positioned in the lower right area of the page.

**xi) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**xii) Gratuity, Bonus, Privilege Leave is provided for as and when they become due for payment.**

**xiii) Earnings Per Share**

The Company reports basic and diluted Earnings per Share(EPS) in accordance with Accounting Standard 20 "Earning per Share". Basic EPS is computed by dividing the net profit or loss 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 or loss attributed to the equity shareholders for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity share, except where the result are anti-dilutive.

**xiv) Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income Tax Act. Deferred income taxes reflects the impact of current period timing difference between taxable income and accounting income for the period and reversal of timing difference of earlier years.

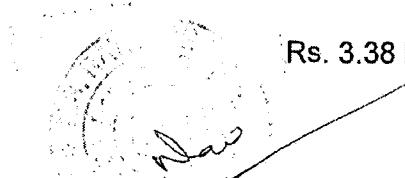
**xv) Contingent Liabilities**

Possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligation is reported as contingent liability. In rare cases, when a liability cannot be measured reliably, it is classified as contingent liability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**xvi) Corporate Social Responsibility (CSR)**

Gross amount required to spend during the year ..... Rs.14.65 lakhs

Amount spend during the year ..... Rs. 3.38 lakhs



**MMP INDUSTRIES LIMITED**

**Notes forming part of the financial statements**

	As at 31st March, 2017	As at 31st March, 2016
<b>2 Share Capital</b> Authorised 85,00,000 Equity Share of ₹ 10/- each(P.Y.85,00,000 Equity Share of ₹10 each )	85000000	85000000
<b>Issued, Subscribed &amp; Paid Up</b> 82,90,050 Equity Shares of ₹10/- each fully Paid Up	82900500	82900500
	82900500	82900500

**a. Details of shareholders holding more than 5% shares in the Company**

Name of the Shareholder	31.03.2017		31.03.2016	
	No. of Share held	%	No. of Share held	%
Shri Arun Bhandari	3093094	37.31%	2825572	34.10%
Smt. Saroj Bhandari	1446093	17.44%	1395893	16.84%
Mayank Fasteners Pvt.Ltd.	2126374	25.65%	928750	11.20%
Master Vivaan Bhandari	648484	7.82%		

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	31.03.2017	31.03.2016
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	8290050	8290050
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	8290050	8290050

**c.Terms/rights attached to equity shares**

The company has only one class of shares - equity shares - having a par value of ₹.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

**3 Reserve & Surplus**

**Capital Reserve (SCI)**

Balance as per last financial statements	4032000	3255000
Add : Sales Tax Incentive under PSI Scheme	1789000	777000
<b>Closing Balance</b>	<b>5821000</b>	<b>4032000</b>

**Revaluation Reserve**

Balance as per last financial statements	607817	607817
<b>General Reserve</b>		

As per last Balance Sheet	40712922	40712922
Add : Transferred from Profit and Loss Account		
<b>Closing Balance</b>	<b>40712922</b>	<b>40712922</b>

**Surplus in the Statement of Profit & Loss**

Balance as per last financial statements	189748986	108254525
Add : Profit for the year	144932665	81494461

**Closing Balance**

334681651	189748986
381823390	235101726

*[Signature]*

**MMP INDUSTRIES LIMITED**

**Notes forming part of the financial statements**

4 Long Term Borrowings	31.03.2017 ₹	31.03.2016 ₹
<b>4.1 Term Loan</b>		
<b>Secured</b>		
<b>From Bank</b>		
Foreign Currency Loans	56316507	88101213
Less : current maturity (refer note-8)	15000000	29478647
Total (a)	<u>41316507</u>	<u>58622566</u>
<b>From Bank</b>		
Indian Rupee Loans	820822	1347116
Less : current maturity (refer note-8)	502347	523943
Total (b)	<u>318475</u>	<u>823173</u>
Total (c)=(a)+(b)	<u>41634982</u>	<u>59445739</u>
<b>Secured</b>		
<b>From Other's</b>		
Indian Rupee Loans	-	226821
Less : current maturity (refer note-8)	-	226821
Total (d)	<u>-</u>	<u>-</u>
<b>UnSecured</b>		
Indian Rupee Loans from others	19702484	13657178
Total (e)	<u>19702484</u>	<u>13657178</u>
Total (f)=(c)+(d)+(e)	<u>61337466</u>	<u>73102917</u>
<b>4.2 Deferred Payment Liability</b>		
Sales Tax Deferment (unsecured)	10026777	10179387
Less : current maturity (refer note-8)	1612251	152610
Total (g)	<u>8414526</u>	<u>10026777</u>
<b>Total Long Term Borrowings</b>	<b>Total (f)+(g)</b>	<b>69751992</b>
<b>Term of Repayment</b>		
1. Term Loan from ICICI Bank ₹.563.16 lacs carries interest @three month LIBOR or Equivalent Benchmark and is repayable in 20 instalment cor		
2. Term Loan for Vehicle from Banks ₹.8.21 lacs carries interest between 10.18% to 11.75% and is repayable as per schedule.		
3. Loan from Other parties is a long term loan and are payable on demand.		
4. Deferred Sales tax loan is interest free and the first instalment was started from the F.Y-2010-11 and the last installment will be paid by F.Y.2018-19		
<b>Security</b>		
1. The Term loan of ₹.563.16 lacs is secured by Hypothecation of Factory Lands and Buildings situated at Maregaon,Neri,Hingna and Buitibori.		
<b>Common Securities for above term loan from bank are :</b>		
a. Factory land & building and immovable machineries at Village Maregaon,Post shahpur,Dist.Bhandara.		
b. Factory land & building situated at Sr.no.1016/2 part, Satona Neri Road, Village Neri,Mohad,Dist.Bhandara.		
c. Factory land & building and immovable machineries at B-28 & Plot No.B28/1,Hingana Ind.Estate,Nagpur.		
d. EM on Factory Land & Building at Survey No.43,55/1,56/1 & 56/2, PH No.06,Mouza Maregaon,Tal.& Dist.Bhandara		
2. The Term loan of ₹.8.21 lacs is secured by Hypothecation of Vehicles.		
<b>5 Deferred Tax Liability (Net)</b>		
Deferred tax liabilities at the beginning of the year	38591729	30559122
Deferred tax liabilities during the year on account of timing difference	5443919	8032607
Deferred tax liabilities at the end of the year	<u>44035648</u>	<u>38591729</u>
<b>6 Short Term Borrowings</b>		
<b>6.1 Loan repayable on demand (secured)</b>		
<b>From Bank</b>		
Foreign Currency Loans	146083192	153678388
Indian Rupee Loans	125033972	77111501
Total (a)	<u>271117164</u>	<u>230789889</u>

# Note : Working Capital Loan secured by hypothecation of inventories,book debts and also personal guarantee of 2 Directors and se  
second charge on all fixed assets.

*[Signature]*

# MMP INDUSTRIES LIMITED

## Notes forming part of the financial statements

### 6.2 Loans repayable on demand (unsecured) From Bank

Indian Rupee Loans (Channel Finance)	49548833	49877182
Total (b)	<u>49548833</u>	<u>49877182</u>
<b>Total Short Term Borrowings</b>	<b>320665997</b>	<b>280667072</b>

### 7 Trade Payable

* Micro,Small and Medium Enterprises		
Others (including acceptance)	84409273	93091815
	<u>84409273</u>	<u>93091815</u>

\* Note : The Company has not received any memorandum ( as required to be filed by the suppliers with the notified authority under the Small and Medium Enterprises Development Act,2006) claiming their status as on 31st March,2017 as micro,small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

### 8 Other Current Liabilities

Current maturities of long-term debt (Refer Note No.4 )	15502347	30002590
Current maturities of long-term debt (Refer Note No.4 )	1612251	152610
Current maturities of long-term debt (Refer Note No.4 )	-	226821
Interest accrued but not due on borrowings	635958	860277
Other Payables	12186484	17582105
Statutory Liabilities	2707666	6205793
Liabilities for Expenses	18059153	16553440
	<u>50703869</u>	<u>71583637</u>

### 9 Short Term Provision

Income Tax Provision (Net of Advance Tax)	13917962	9022106
	<u>13917962</u>	<u>9022106</u>

### 11 Non-Current Investments

#### Trade Investments

##### Investment in equity instrument at cost (unquoted)

Fully paid up with face value of ₹.10/- each unless other specified

998860 (P.Y.- 998860) Equity Shares of M/s Star Circlips & Engg. Ltd.	9782890	9782890
13440 (P.Y.-13440 ) Equity Shares of Mayank Fasteners Pvt.Ltd.	-	1344000
7022600(P.Y.-Nil) Equity Shares of Toyal MMP India Pvt.Ltd.	70226000	-

#### Non-Trade Investments

##### Govt. Securities (At Cost)

7Years National Saving Certificate	28000	28000
<b>TOTAL</b>	<b>80036890</b>	<b>11154890</b>

### 12 Long Term Loan And Advances

#### Security Deposits

Unsecured, considered good	4199574	3636550
<b>TOTAL</b>	<b>4199574</b>	<b>3636550</b>

**MMP INDUSTRIES LIMITED**  
(Formerly Known as Maharashtra Metal Powders Limited)

Notes on Financial Statements for the year ended 31st March, 2017

## 10. FIXED ASSE

### Intangible Fixed Assets

Note : Advance Rs.350000 given for purchase of land is considered in G.W.D.

### Intangible Fixed Assets

(Amt. in ')						
Sr. No.	Particulars	Gross Value as on 01/04/2016	Addition / Deletion / Adjus. during the year	Total value as on 31/03/2017	Depreciation up to 31/03/2016	Adjustment during the Year
					Depreciation for the Year	Depreciation up to 31/03/2017
1	Good Will	27500	-	27500	-	-
	Total	27500	-	27500	-	-
	Previous Year Figure	27500		27500		

**MMP INDUSTRIES LIMITED**

**Notes forming part of the financial statements**

	31.03.2017 ₹	31.03.2016 ₹
<b>Current Assets</b>		
<b>13 Inventories</b>		
Stores & Spares	11920926	11807108
Packing Materials	4348570	7273695
Raw Materials	46002445	52816262
Finished Goods	132805563	109260007
Stock in Process	4462160	4593015
	<b>199539664</b>	<b>185750087</b>
<b>14 Trade Receivable</b>		
Trade receivables outstanding for a period exceeding six month from the date they are due for payment		
Unsecured but Considered Good	44329074	22905531
	<b>44329074</b>	<b>22905531</b>
Trade receivables outstanding for a period less than six month from the date they are due for payment		
Others - Unsecured but Considered Good	299030647	249253096
	<b>299030647</b>	<b>249253096</b>
<b>Total</b>	<b>343359721</b>	<b>272158628</b>
<b>15 Cash &amp; Bank Balances :</b>		
Cash in hand	508282	887295
Balance with Bank in current a/c's	16654657	13850702
	<b>17162940</b>	<b>14737998</b>
<b>16 Short Term Loans And Advances</b>		
(Unsecured, considered good)		
Loans to Employees	2638588	3073103
Prepaid Expenses	1046315	837993
	<b>3684903</b>	<b>3911096</b>
<b>17 Others Current Assets</b>		
Central Excise Duty Deposit	1781221	1135842
Central Excise Duty Deposit stk trf	271006	309783
Deposit Against Sales Tax Appeal	35000	35000
Excise Duty Deposit (Under Dispute)	3321766	3321766
Service tax deposit	844663	1655207
Service tax Receivable A/c	184755	56791
Work Contract Tax Receivable	45445	-
Sales Tax Appeal (02-03)	250000	250000
Sales Tax Appeal (03-04)	300000	300000
Sales Tax Appeal (04-05)	50000	50000
Sales Tax Appeal ( 08-09)	-	20000
Interest Receivable	255327	187050
Insurance Claim Receivable	-	976009
Export Duty Drawback	123176	-
Advance to Non Trade Suppliers	443923	760054
Advance to Trade Suppliers	20255763	17506615
	<b>28162044</b>	<b>26564116</b>

*[Signature]*

**MMP INDUSTRIES LIMITED**

**Notes forming part of the financial statements**

	31.03.2017 ₹	31.03.2016 ₹
<b>18 Revenue From Operation (Gross)</b>		
Sales of Products	1855086407	1600904685
Job Work	58901930	83498582
Export Sales	105911380	119319296
Excise Duty & Cess	233374538	201256532
Excise Duty Drawback	3577072	1966840
	<b>2256851327</b>	<b>2006945934</b>
<b>19 Other Income</b>		
Exchange Rate Difference	342220	1015468
Interest Income	2045989	2066894
Sales of Scrap	1219225	653320
Rent Received	100000	-
Other Income (Insurance claim +bonus recd)	3863359	2585371
Management Consultancy Charges	7500000	-
Sundry Balances Written off/back	25162	56738
Profit on Sale of Fixed Assets	46663444	-
Profit on Sales of Investment	564480	-
Surplus on Sales of Fixed Assets	-	7367
	<b>62323879</b>	<b>6385157</b>
<b>20 Cost Of Raw Material Consumed</b>		
Alu. Ingots	840290015	708023916
Alu. Foils	53123859	51040597
Steric Acid	22518921	19586882
M.T.O./Solvent Naphtha/M.E.G.	27532642	24504203
Manganese/Magnetite	27729756	30281810
Alu.Wire Rod / Alloys	494848672	365544011
Iron Non Alloy Steel Reinforce	10228285	69848829
	<b>1476272150</b>	<b>1268830248</b>
<b>21 Change In Inventories Of Finished Goods and Stock In Process</b>		
<b>Finished Goods</b>		
Opening Stock	109260007	107075140
Closing Stock	132805563	109260007
	<b>23545556</b>	<b>2184867</b>
<b>Stock In Process</b>		
Opening Stock	4593015	4385220
Closing Stock	4462160	4593015
	<b>(130855)</b>	<b>207795</b>
<b>22 Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	88389181	66414252
Contribution to PF & Other Funds	5409834	5226608
Allowances & Fringe benefits	37406764	35454498
Staff and labour Welfare Expenses	2205685	1339398
	<b>133411464</b>	<b>108434756</b>
<b>23 Finance Cost</b>		
Interest expense	35512858	49641678
Bank Charges	3499110	4562542
Applicable loss on Foreign Currency transaction and Translation	3244633	12045069
	<b>42256600</b>	<b>66249289</b>
<b>24 Depreciation and Amortization</b>		
Depreciation of Tangible Assets	18172976	16168523
	<b>18172976</b>	<b>16168523</b>

**MMP INDUSTRIES LIMITED**

**Notes forming part of the financial statements**

	31.03.2017 ₹	31.03.2016 ₹
<b>25 Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Stores Consumed	34221212	32000008
Packing Material Consumed	49823472	51157691
Power & Fuel	98356203	105847631
Repair to Machinery	3492566	2140319
Repair to Building	5741697	5892903
Computers and Other	539723	85685
<b>Total (a)</b>	<b>192174873</b>	<b>197124237</b>
<b>Establishment Expenses</b>		
Garden Development Expenses	576904	27975
Rates & Taxes	973630	793961
Insurance Expenses	2690160	2216736
Advertisement	149950	151925
Books and periodicals	9952	15893
Conveyance	599195	599866
General Charges	654485	409714
Legal & Professional Charges	3924043	3034130
Office & Other Expenses	2879703	2225543
Postage, Telegram & Telephone	1458352	1524632
Printing & Stationery	982476	995136
Pollution Control Expenses	7010	195451
Rent Charges	90000	90000
Security Service Charges	2746210	2593750
Light & Water Charges	608796	332699
Technical Consultancy Charges-Others	6560753	3027129
Travelling Expenses (Director)	285727	329973
Travelling Expenses	1142802	1574507
Vehicle Expenses	1521336	1455576
Expenses on Live Stock	25025	47851
Bad Debts Written Off	-	1185865
CSR Activity	338146	171000
Sitting Fees	30000	-
Donation	26000	-
<b>Total (b)</b>	<b>28280654</b>	<b>22999312</b>
<b>Selling &amp; Distribution Expenses</b>		
Freight Outwards	5604716	4309805
Export Freight & Shipment	3020050	2624612
Seminar & Conference Exp.	3000	32020
Excise Duty Expenses	129582	448
Vat Tax/Sales Tax Expenses	272879	815466
Service Tax GTA	634765	375255
Sampling/Analysis Charges	276524	318122
Selling Expenses	1105855	801087
Commission & Discount	1507046	2630335
Royalty	3608821	2052663
<b>Total (c )</b>	<b>16163238</b>	<b>13959814</b>
<b>Audit Fees Incl. Tax audit fees</b>	<b>55000</b>	<b>45000</b>
<b>Total (a+b+c+d)</b>	<b>236673765</b>	<b>234128363</b>

*[Signature]*

**MMP INDUSTRIES LIMITED**

(Formerly known as Maharashtra Metal Powders Limited)

**Notes forming part of the financial statements**

	₹. in lacs	%	₹. in lacs	%
<b>20.1 Raw Material Consumed</b>				
Raw Material - Indigenous consumption	14750.04	99.91%	12676.43	99.91%
Raw Material - Imported consumption	12.68	0.09%	11.87	0.09%
	<b>14762.72</b>	<b>100.00%</b>	<b>12688.30</b>	<b>100.00%</b>
<b>25.1 Stores &amp; Spares Consumed</b>				
Stores & spares - Indigenous consumption	339.17	99.11%	320.00	100%
Stores & spares - Imported consumption	3.04	0.89%	-	-
	<b>342.21</b>	<b>100%</b>	<b>320.00</b>	<b>100%</b>
<b>25.2 Packing Material Consumed</b>				
Packing - Indigenous consumption	498.23	100%	511.78	100%
Packing - Imported consumption				
	<b>498.23</b>	<b>100%</b>	<b>511.78</b>	<b>100%</b>
<b>25.3 Payment To Auditor</b>				
Audit fee		30000		30000
Tax audit fee		25000		15000
		<b>55000</b>		<b>45000</b>

**26 Related Party Disclosure**

a) Name of related parties and description of relationship

Description of Relationship	Name of Related Parties
Related Enterprises where significant influence exist	Star Circlips & Engineering Ltd. Toyal MMP India Private Limited
Key Management Personnel	Shri Arun Bhandari Shri Lalit Bhandari Shri Madan Mohan Agrawal
Relative of Key Management Personnel	Smt. Saroj Bhandari Smt. Sakshi Bhandari Shri Mayank Bhandari Miss Rohini Bhandari

b) Material Transaction with Related Parties (Amt. in Lacs)

Particulars	Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
<b>1. Jobwork Charges Received</b> Star Circlips & Engineering Ltd	143.53		
<b>2. Management Service Charges</b> Toyal MMP India Pvt Ltd.	75.00		
<b>3. Sale of Capital Assets</b> Toyal MMP India Pvt Ltd.	700.43		
<b>4. Reimbursement of Expenses</b> Toyal MMP India Pvt Ltd.	77.65		
<b>5. Depot Rent</b> Toyal MMP India Pvt Ltd.	1.00		
<b>6. Investment in Share</b> Toyal MMP India Pvt Ltd.	702.26		
<b>7. Remuneration</b> Shri Arun Bhandari - MD Shri Lalit Bhandari - WTD Shri Madan Mohan Agrawal - WTD		40.32 15.02 2.40	
<b>8. Salaries &amp; Perquisites</b> Smt. Saroj Bhandari Smt. Sakshi Bhandari			20.45 19.50
<b>9. Legal &amp; Professional Charges</b> Shri Mayank Bhandari Miss Rohini Bhandari			30.00 12.00

**27 Contingent Liabilities (Amt. in lacs)**

1. Guarantee given by the Company's Bankers	128.06	83.56
2. Sales Tax Demand pending with Appellate Authorities	53.37	54.07
3. Income Tax Demand and appeal pending with CIT	3.09	1.84
4. Central Excise duty & Service Tax Demand pending with additional Commissioner Nagpur II	196.19	46.19

**28 Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil ( P.Y. ₹.Nil )

✓

## Primary Segment Reporting (by Business Segment)

Primary Segment have been identified based on the nature of products and services, the different risk and returns and the internal reporting structure. The Company considers Business Segment as the Primary Segment to disclosure. Details of products included in each of the segments are as under :

Aluminium Powders & Paste : Aluminium Powder, Aluminium Paste and Atomised Powder

Aluminium Conductor : Aluminium Conductor

Others : Manganeos Oxide, washer, circlips & coal

Unallocated items includes general corporate income, expenses, assets and liabilities which are not allocated to any business segment.

Rs.In Lacs

## Information about Business Segments:

Particulars	Current Year				Previous Year			
	Aluminium Powder & Paste	Aluminium Conductor	Others	Total	Aluminium Powder & Paste	Aluminium Conductor	Others	Total
REVENUE								
Gross Sales	15551	6344	673	22569	13951	5384	735	20069
<b>Total Revenue</b>	<b>15551</b>	<b>6344</b>	<b>673</b>	<b>22569</b>	<b>13951</b>	<b>5384</b>	<b>735</b>	<b>20069</b>
RESULTS								
Unallocated expense net off Unallocated Income	1668	520	44	2232	1705	378	77	2160
Operating Profit					2445			1858
Financial Cost					423			662
<b>Profit Before Tax</b>				<b>2023</b>				<b>1196</b>
Current Tax					500			300
Deferred Tax					54			80
Income Tax relating to earlier year					19			0
<b>Profir After Tax</b>				<b>1449</b>				<b>815</b>

## OTHER INFORMATION

Segment Assets	6182	2076	515	8773	5553	1712	350	7615
Unallocated Corporate Assets				1716				1325
<b>Total Assets</b>				<b>10489</b>				<b>8940</b>
Segment Liabilities	826	95	54	975	889	161	39	1090
Unallocated Corporate Liabilites				4860				4671
<b>Total Liabilities</b>				<b>5835</b>				<b>5761</b>
Capital Expenditure	27	89	63	178	266	53	16	336
Unallocated Corporate Assets				-48				0
<b>Total Capital Expenditure</b>				<b>130</b>				<b>336</b>
Depreciation & Amortisation	99	41	21	160	91	38	15	143
Unallocated Corporate Depreciation and Amortisation					22			18
<b>Total Depreciation &amp; Amortisation</b>					<b>182</b>			<b>161</b>



# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## Notes forming part of the financial statements

### 30 Foreign Exchange Earning & Outgo

Earning in foreign exchange		(₹. in lacs)
Particulars	2016-17	2015-16
FOB Value of Export (Direct)	1059	1193

Foreign Exchange outgo		(₹. in lacs)
Particulars	2016-17	2015-16
<b>Value of import calculated on cif basis</b>		
Raw Materials	13	13
Capital Goods	17	6
Stores Good	3	
Trading Goods	-	
<b>Expenditure in foreign currency</b>		
Travelling Expense	3	8
Royalty	32	21
Commission	4	14

### 31 Details of Specified Bank Notes

Particulars	Specified Bank Note	Other Denomination	Total
Closing cash in hand as on 08.11.2016	3336000	913196	4249196
(+) Permitted receipts	-	1507370	1507370
(-) Permitted payments	-	1611252	1611252
(-) Amount deposited in Banks	3336000		3336000
Closing cash in hand as on 30.12.2016	-	809314	809314

### 32 Earnings per Share (EPS)

Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹)	144932665	81494461
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating EPS	8290050	8290050
Basic and Diluted Earnings per Share (₹)	17.48	9.83

33 Previous year figures has been recast /regrouped / restated wherever necessary to make them comparable.

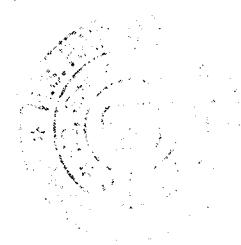
**SIGNATURE TO NOTE "1" TO "33"**

AS PER OUR REPORT OF EVEN DATE ATTACHED

For N.S.Rathore & Co,  
Chartered Accountants  
FRN -012414C

N.S.VYAS  
Partner  
Membership No.-010937

Place : Jaipur  
Date : 18/08/2017



For and on behalf of the board

(ARUN BHANDARI)  
Managing Director

Place : Nagpur  
Date : 18/08/2017

(LALIT BHANDARI)  
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MMP INDUSTRIES LIMITED**  
(Formerly Known as Maharashtra Metal Powders Ltd.)

**Report on the Consolidated Financial Statement**

We have audited the accompanying financial statements of MMP Industries Limited (Formerly Known as Maharashtra Metal Powders Ltd.) ("the Holding Company"), and its associates (collectively "referred to as "the Company" or "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial Statements").

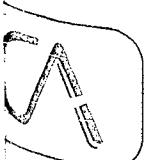
**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statement in terms of the requirements of the Companies Act,2013 (hereinafter referred to as the the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies(Accounts) Rule,2014.The Board of Directors of the Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls ,that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



*Dee*

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company, as at 31<sup>st</sup> March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

The consolidated financial statements also include the Group's share of net profit of ₹ 271.88 lakh for the year ended 31<sup>st</sup> March, 2017 as considered in the consolidated financial statements, in respect of associate M/s Star Circlips & Engineering Limited whose share of profit ₹ 269.86 lakh and M/s Toyal MMP Industries Private Limited whose share of profit ₹ 2.02 lakhs for the year ended on that date, whose financial statement/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our reports in terms of sub-section (3) and (11) of section 143 of the Act insofar as it relates the aforesaid associates, is based solely on the reports of the other auditors.

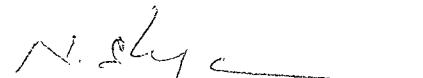
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.



## Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
  - c) the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) in our opinion, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules,2014;
  - e) on the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164 (2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer our separate report in "Annexure A".
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies ( Audit and Auditors) Rule,2014,in our opinion and to the best of our information and according to the explanations given to us :
    - i. the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 29 to the consolidated financial statements;
    - ii. the Holding Company did not have any long term contracts; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company by the Holding Company Incorporated in India.

For N.S. RATHORE & CO.  
Chartered Accountants  
(Registration No.:012414C)



(N.S. VYAS)  
PARTNER

Membership No. 010937

PLACE: JAIPUR  
DATE : 18/08/2017

N.S. VYAS F.C.A.  
NIRAJ RATHORE A.C.A.

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(F) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MMP Industries Limited ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

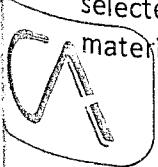
#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for the establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our Audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.



*[Handwritten signature]*

N.S. VYAS F.C.A.  
NRAJ RATHORE A.C.A.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

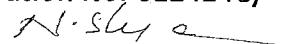
#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31,2017,based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For N.S.RATHORE & COMPANY

Chartered Accountants

(Registration No.-012414C)



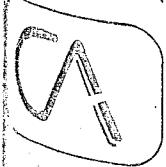
(N.S. VYAS)

PARTNER

Membership No. F10937

Place : Jaipur

Date : 18/08/2017



**MMP INDUSTRIES LIMITED**  
 Consolidated Balance Sheet as at March 31, 2017

	Note No.	As at 31st March, 2017 (Amount in ₹.)	As at 31st March, 2016 (Amount in ₹.)
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds :			
Share Capital	2	82900500	82900500
Reserve & Surplus	3	462473243	289127842
		<u>545373743</u>	<u>372028342</u>
Non-current Liabilities			
Long Term Borrowing	4	69751992	83129694
Deferred Tax Liabilities	5	44035648	38591729
		<u>113787640</u>	<u>121721423</u>
Current Liabilities			
Short-term borrowings	6	320665997	280667072
Trade payables	7	84409273	93091815
Other current liabilities	8	50703859	71583637
Short-term provisions	9	13917962	9022106
		<u>469697091</u>	<u>454364629</u>
	<b>TOTAL</b>	<b>1128858474</b>	<b>948114395</b>
<b>ASSETS</b>			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	366610335	367452451
Intangible Assets	10	27500	27500
Capital Work-in-Progress	10	5425051	8694962
		<u>372062886</u>	<u>376174913</u>
Non current investment	11	160686743	65181006
Long-term loans and advances	12	4199574	3636550
		<u>164886317</u>	<u>68817556</u>
Current Assets			
Inventories	13	199539664	185750087
Trade Receivable	14	343359721	272158628
Cash & Bank Balances	15	17162940	14737998
Short Term Loans & Advances	16	3684903	3911096
Other Current Assets	17	28162044	26564116
		<u>591909271</u>	<u>503121925</u>
	<b>TOTAL</b>	<b>1128858474</b>	<b>948114395</b>

**SIGNIFICANT ACCOUNTING POLICIES**

1

The Notes referred to above forms an integral part of the Consolidated Balance Sheet

As per our report of even date attached

For N.S. RATHORE & CO.

Chartered Accountants  
(FRN-012414C)

*N.S. Vyas*  
(N.S. Vyas)  
Partner (M.No.-010937)  
Place : Jaipur  
Date : 18/08/2017

For and on behalf of the board

(ARUN BHANDARI)

Managing Director

Place : Nagpur

Date : 18/08/2017

(LALIT BHANDARI)

Director

MMP INDUSTRIES LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31,2017

	Note No.	Year Ended March, 2017 (Amount in ₹.)	Year Ended March, 2016 (Amount in ₹.)
<b>INCOME</b>			
Revenue from operations(Gross)	18	2256851327	2006945934
Less: Excise Duty		233374538	201256532
<b>Revenue from operations(Net)</b>		<b>2023476789</b>	<b>1805689402</b>
Other Income	19	62323879	6385157
<b>TOTAL INCOME</b>		<b>2085800667</b>	<b>1812074560</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	20	1476272150	1268830248
Purchase of Stock-in -Trade		166145	1145000
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade	21	(23414701)	(2392662)
Employee benefit expenses	22	133411464	108434756
Financial Cost	23	42256600	66249289
Depreciation and amortization expenses	24	18172976	16168523
Others Expenses	25	236673765	234128363
<b>TOTAL EXPENDITURE</b>		<b>1883538399</b>	<b>1692563518</b>
<b>PROFIT BEFORE TAX</b>		<b>202262269</b>	<b>119511042</b>
<b>TAX EXPENSE :</b>			
Current Tax		50000000	30000000
Deferred Tax		5443919	8032607
Income Tax relating to earlier year		1885685	(16026)
<b>PROFIT FOR THE YEAR</b>		<b>144932665</b>	<b>81494461</b>
Add: Share of profit from associates		27187351	10918993
<b>NET PROFIT FOR THE YEAR</b>		<b>172120016</b>	<b>92413455</b>
<b>EARNING PER EQUITY SHARE</b>			
Basic and Diluted ( in ₹ )		20.76	11.15
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The Notes referred to above forms an integral part of the Consolidated Statement of Profit and Loss.

As per our report of even date attached

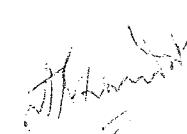
For and on behalf of the board

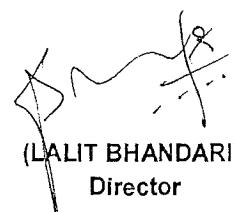
For N.S. RATHORE & CO.

Chartered Accountants

(IFRN-012414C)

  
N.S. Vyas  
Partner (M.No.- 010937)  
Place : Jaipur  
Date : 18/08/2017

  
(ARUN BHANDARI)  
Managing Director  
Place : Nagpur  
Date : 18/08/2017

  
(LALIT BHANDARI)  
Director

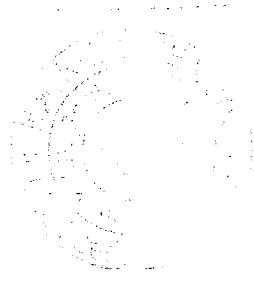
**MMP INDUSTRIES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH ,2017**

	PARTICULARS	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation as per P& L Account	202262269	119511042
	<b>Adjustments for</b>		
	Depreciation	18172976	16168523
	Interest Income	(2045989)	(2066894)
	Finance Cost	39011967	54204220
	Unlearised( Gain)/Loss on Foreign Exchange Fluctuation	3244633	12045069
	Profit/loss on sale of fixed assets		(7367)
	Profit/loss on sale of Lease Hold Land	(46663444)	
	Profit /loss on sale of Investments	(564480)	
	<b>Operating profit before working capital Changes</b>	213417932	199854594
	(Increase ) decreased in inventories	(13789577)	8415721.69
	(Increase ) decreased in trade and other receivables	(71201093)	5208464
	(Increase ) decreased in Loans and advances	(336831)	3087649.90
	(Increase ) decreased in other current assets	(1597928)	(10945436)
	Increased / ( decreased) in Current Liabilities	(16294896)	(40588246)
	Sales Tax Incentive Received	1789000	777,000.00
	<b>Cash Generated from Operation</b>	111986607	165809748
	Direct taxes Paid	(46989829)	(23703744)
	<b>Net Cash from operating activities</b>	64996778	142106004
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Investment in Fixed Assets including Capital WIP	(14060949)	(33559946)
	Profit/loss on sale of Fixed Assets	46663444	7367
	Profit/loss on sale of Investment	564480	
	Increase /Decrease in investments	(68882000)	-
	Interest received	2045989	2066894
	<b>Net Cash used in investing Activities</b>	(33669036)	(31485685.40)
<b>C.</b>	<b>Cash flow from financing Activities</b>		
	Financial Cost	(42256600)	(66249289)
	Term loan Received	-	-
	Repayment of Term loan	(32690431)	(28472022)
	Short Term Borrowing	39998925	3916842
	Long term Unsecured Loan from others	6045306	(6967822)
	<b>Net cash from Financing Activities</b>	(28902800)	(97772291)
	<b>Net increase /decrease in Cash and cash equivalent</b>	2424942	12848027.17
	<b>Cash and Cash equivalents at the beginning of the year</b>	14737998	1889970
	<b>Cash and Cash equivalents at the End of the year</b>	17162940	14737998

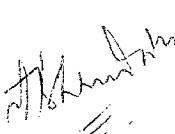
Note : Figure in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For N.S.Rathore & Co.  
FRN-012414C

  
(N.S.Vyas)  
Partner (M.No.-010937)

Place : Jaipur  
Date : 18/08/2017

  
Arun Bhandari  
Managing Director

  
Lalit Bhandari  
Director

Place : Nagpur  
Date : 18/08/2017

**MMP INDUSTRIES LIMITED**  
(Formerly known as Maharashtra Metal Powders Limited)

**Notes to consolidated financial statements for the year ended 31 March 2017**

1. a) The consolidated financial statements includes results of the associates, consolidated in accordance with Accounting Standard 23'Accounting for Investment in Associates in Consolidated Financial Statements'

Name of the company	Country of incorporation	% Shareholding	Consolidated as
Star Circlips & Engineering Ltd.	India	26.06%	Associate
M/s Toyal MMP India Private Limited	India	26.00%	Associate

- b) The financial statements have been prepared in accordance with the generally accepted accounting principles in India including the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The financial statements are prepared on historical cost convention on accrual basis.



# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## Notes forming part of the financial statements

	As at 31st March, 2017	As at 31st March, 2016
<b>2 Share Capital</b>		
Authorised		
85,00,000 Equity Share of ₹ 10/- each (P.Y. 85,00,000 Equity Share of ₹10 each )	85000000	85000000
<b>Issued, Subscribed &amp; Paid Up</b>		
82,90,050 Equity Shares of ₹10/- each fully Paid Up	82900500	82900500
	<u>82900500</u>	<u>82900500</u>

### a. Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31.03.2017		31.03.2016	
	No. of Share held	%	No. of Share held	%
Shri Arun Bhandari	3093094	37.31%	2825572	34.10%
Smt. Saroj Bhandari	1446093	17.44%	1395893	16.84%
Mayank Fasteners Pvt. Ltd.	2126374	25.65%	928750	11.20%
Master Vivaan Bhandari	648484	7.82%		

### b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2017		31.03.2016	
	No. of Shares		No. of Shares	
Shares outstanding at the beginning of the year			8290050	8290050
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year			8290050	8290050

### c.Terms/rights attached to equity shares

The company has only one class of shares - equity shares - having a par value of ₹.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

### 3 Reserve & Surplus

#### Capital Reserve (SCI)

Balance as per last financial statements	47139123	3255000
Add : Sales Tax Incentive under PSI Scheme	1789000	777000
Add : Capital reserve on change in interest in equity of associates	(556765)	43107123
<b>Closing Balance</b>	<b>48371358</b>	<b>47139123</b>

#### Revaluation Reserve

Balance as per last financial statements	607817	607817
<b>General Reserve</b>		

As per last Balance Sheet

40712922

40712922

Add : Transferred from Profit and Loss Account

-

-

**Closing Balance**

**40712922**

**40712922**

#### Surplus in the Statement of Profit & Loss

Balance as per last financial statements	200667980	108254525
Add : Profit for the year	172120016	92413455
Less : Adj. on sale of equity of associates	(6850)	
<b>Closing Balance</b>	<b>372781146</b>	<b>200667980</b>
	462473243	289127842

Total

*N. Veni*

# MMP INDUSTRIES LIMITED

Notes forming part of the financial statements

## Long Term Borrowings

### 1.1 Term Loan

#### Secured

##### From Bank

Foreign Currency Loans

Less : current maturity (refer note-8)

Total (a)

31.03.2017

₹

31.03.2016

₹

56316507

88101213

15000000

29478647

41316507

58622566

##### From Bank

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (b)

820822

1347116

502347

523943

318475

823473

41634982

59445739

#### Secured

##### From Other's

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (d)

226821

226821

#### UnSecured

Indian Rupee Loans from others

Total (e)

19702484

13657178

Total (f)=(c)+(d)+(e)

19702484

13657178

61337466

73102917

### 1.2 Deferred Payment Liability

Sales Tax Deferment (unsecured)

Less : current maturity (refer note-8)

Total (g)

10026777

10179387

1612251

152610

8414526

10026777

**Total Long Term Borrowings**

**Total (f)+(g)**

69751992

83129694

### Term of Repayment

Term Loan from ICICI Bank ₹.563.16 lacs carries interest @three month LIBOR or Equivalent Benchmark and is repayable in 20 instalment commencing from Nov.-15.

Term Loan for Vehicle from Banks ₹.8.21 lacs carries interest between 10.18% to 11.75% and is repayable as per schedule.

Loan from Other parties is a long term loan and are payable on demand.

Deferred Sales tax loan is interest free and the first instalment was started from the F.Y-2010-11 and the last installment will

be paid by F.Y.2018-19

### Security

The Term loan of ₹.563.16 lacs is secured by Hypothecation of Factory Lands and Buildings situated at Maregaon,Neri,Hingna and Buitibori.

Common Securities for above term loan from bank are :

Factory land & building and immovable machineries at Village Maregaon,Post shahpur,Dist.Bhandara.

Factory land & building situated at Sr.no.1016/2 part,Satona Neri Road,Village Neri,Mohad,Dist.Bhandara.

Factory land & building and immovable machineries at B-28 & Plot No.B28/1,Hingana Ind.Estate,Nagpur.

EL on Factory Land & Building at Survey No.43,55/1,56/1 & 56/2, PH No.06,Mouza Maregaon,Tal.& Dist.Bhandara

The Term loan of ₹.8.21 lacs is secured by Hypothecation of Vehicles.

### Deferred Tax Liability (Net)

Deferred tax liabilities at the beginning of the year

38591729

30559122

Deferred tax liabilities during the year on account of timing difference

5443919

8032607

Deferred tax liabilities at the end of the year

44035648

38591729

### Short Term Borrowings

#### 1.1 Loan repayable on demand (secured)

##### From Bank

Foreign Currency Loans

Indian Rupee Loans

**Total Short Term Borrowings**

**Total (a)**

146083192

153678388

125033972

77111501

271117164

230789889

Working Capital Loan secured by hypothecation of inventories,book debts and also personal guarantee of 2 Directors and secured by second charge on all fixed assets.

*Seal*

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## Notes forming part of the financial statements

### 6.2 Loans repayable on demand (unsecured) From Bank

Indian Rupee Loans (Channel Finance)	49548833	49877182
<b>Total (b)</b>	<b>49548833</b>	<b>49877182</b>
<b>Total Short Term Borrowings</b>	<b>320665997</b>	<b>280667072</b>

## Trade Payable

Micro, Small and Medium Enterprises		
Others (including acceptance)	84409273	93091815
	<b>84409273</b>	<b>93091815</b>

Note: The Company has not received any memorandum ( as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act,2006) claiming their status as on 31st March,2017 as micro,small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

## Other Current Liabilities

Current maturities of long-term debt (Refer Note No.4 )	15502347	30002590
Current maturities of long-term debt (Refer Note No.4 )	1612251	152610
Current maturities of long-term debt (Refer Note No.4 )	-	226821
Interest accrued but not due on borrowings	635958	860277
Other Payables	12186484	17582105
Statutory Liabilities	3096558	6205793
Liabilities for Expenses	<b>17670261</b>	<b>16553440</b>
	<b>50703859</b>	<b>71583637</b>

## Short Term Provision

Income Tax Provision	13917962	9022106
(Net of Advance Tax)	<b>13917962</b>	<b>9022106</b>

## Non-Current Investments

### Trade Investments

#### Investment In equity instrument at cost (unquoted)

Fully paid up with face value of ₹.10/- each unless other specified

998860 (P.Y.- 998860) Equity Shares of M/s Star Circlips & Engg. Ltd.	90231078	63245392
13440 (P.Y.-13440 ) Equity Shares of Mayank Fasteners Pvt.Ltd.	-	1907615
7022600(P.Y.-Nil) Equity Shares of Toyal MMP India Pvt.Ltd.	70427665	-

### Non-Trade Investments

#### Govt. Securities (At Cost)

7Years National Saving Certificate

<b>TOTAL</b>	<b>160686743</b>	<b>65181006</b>
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## Long Term Loan And Advances

### Security Deposits

Unsecured, considered good

<b>TOTAL</b>	<b>4199574</b>	<b>3636550</b>
	<b>4199574</b>	<b>3636550</b>

**Notes on Consolidated Financial Statements for the year ended 31st March, 2017**

**10. FIXED ASSETS**  
**Tangible Fixed Assets**

( Amt. in ₹.)									
Sr. No.	Particulars	Gross Value as on 01/04/2016	Addition during the Year	Deletion / Adjus.	Total value as on 31/03/2017	Depreciation up to 31/03/2016	Adjustment during the Year	Depreciation for the Year	Depreciation up to 31/03/2017
1	<u>LAND Lease Hold</u>	14982812	8966000	23634508	314304	-	-	-	314304
	Free Hold	10774074	-	-	10774074	-	-	-	14982812
2	Factory Building	169613616	9872526	-	17946142	34128920	0	5506789	39635710
3	Non - Factory Building	10435383	-	-	10435383	2085659	-	166342	2252000
4	Furniture & Fixture	4714746	383742	-	5098488	2953762	0	225440	3179201
5	Plant & Machinery	311074894	20064496	-	331139390	128733255	0	10134594	138867849
6	Electric Installation	18410451	1291792	-	19702243	9589990	0	1149190	192271541
7	Vehicles	12637625	-	4911923	7725702	8741085	4671375	693655	2962337
8	Office & Lab. Equipment	3463156	186855	-	3650011	2689475	0	137563	3896540
9	Computer	2696908	440507	-	3137415	2492864	-	159403	2827038
10	Holiday Resort	70400	-	-	70400	44456	-	-	2652268
11	Live Stock	37852	-	-	37852	-	-	-	44456
	<b>Total</b>	<b>558911916</b>	<b>41205918</b>	<b>28546431</b>	<b>571571402</b>	<b>161459465</b>	<b>4671375</b>	<b>18172976</b>	<b>204961066</b>
	<b>Previous Year</b>	<b>514446092</b>	<b>45428558</b>	<b>962735</b>	<b>558911916</b>	<b>176041043</b>	<b>750101</b>	<b>16168523</b>	<b>366610336</b>
	<b>Capital Work In Progress</b>	<b>8894962</b>	<b>3757931</b>	<b>7027842</b>	<b>5425051</b>				<b>367452451</b>
									<b>33845049</b>
									<b>5425051</b>
									<b>8694962</b>

Note : Advance Rs.350000 given for purchase of land is consider in c/wip.

**Intangible Fixed Assets**

( Amt. in ₹.)									
Sr. No.	Particulars	Gross Value as on 01/04/2016	Addition during the year	Deletion / Adjus.	Total value as on 31/03/2017	Depreciation up to 31/03/2016	Adjustment during the Year	Depreciation for the Year	Depreciation up to 31/03/2017
1	<u>Good Will</u>	27500	-	-	27500	-	-	-	27500
	<b>Total</b>	<b>27500</b>	<b>-</b>	<b>-</b>	<b>27500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27500</b>
	<b>Previous Year Figure</b>	<b>27500</b>	<b>-</b>	<b>-</b>	<b>27500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27500</b>

# MMP INDUSTRIES LIMITED

## Notes forming part of the financial statements

	31.03.2017 ₹	31.03.2016 ₹
<b>Current Assets</b>		
13 Inventories		
Stores & Spares	11920926	11807108
Packing Materials	4348570	7273695
Raw Materials	46002445	52816262
Finished Goods	132805563	109260007
Stock in Process	4462160	4593015
	<u>199539664</u>	<u>185750087</u>
<b>14 Trade Receivable</b>		
Trade receivables outstanding for a period exceeding six month from the date they are due for payment		
Unsecured but Considered Good	44329074	22905531
	<u>44329074</u>	<u>22905531</u>
Trade receivables outstanding for a period less than six month from the date they are due for payment		
Others - Unsecured but Considered Good	299030647	249253096
	<u>299030647</u>	<u>249253096</u>
Total	<u>343359721</u>	<u>272158628</u>
<b>15 Cash &amp; Bank Balances :</b>		
Cash in hand	508282	887295
Balance with Bank in current a/c's	16654657	13850702
	<u>17162940</u>	<u>14737998</u>
<b>16 Short Term Loans And Advances</b>		
(Unsecured, considered good)		
Loans to Employees	2638588	3073103
Prepaid Expenses	1046315	837993
	<u>3684903</u>	<u>3911096</u>
<b>17 Others Current Assets</b>		
Central Excise Duty Deposit	1781221	1135842
Central Excise Duty Deposit stk trf	271006	309783
Deposit Against Sales Tax Appeal	35000	35000
Excise Duty Deposit (Under Dispute)	3321766	3321766
Service tax deposit	844663	1655207
Service tax Receivable A/c	184755	56791
Work Contract Tax Receivable	45445	
Sales Tax Appeal (02-03)	250000	250000
Sales Tax Appeal (03-04)	300000	300000
Sales Tax Appeal (04-05)	50000	50000
Sales Tax Appeal (08-09)	20000	
Interest Receivable	255327	187050
Insurance Claim Receivable	123176	976009
Export Duty Drawback	443923	760054
Advance to Non Trade Suppliers	20255763	17506615
Advance to Trade Suppliers	<u>28162044</u>	<u>26564116</u>

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# MMP INDUSTRIES LIMITED

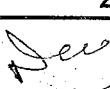
## Notes forming part of the financial statements

	31.03.2017 ₹	31.03.2016 ₹
<b>18 Revenue From Operation (Gross)</b>		
Sales of Products	1855086407	1600904685
Job Work	58901930	83498582
Export Sales	105911380	119319296
Excise Duty & Cess	233374538	201256532
Excise Duty Drawback	3577072	1966840
	<b>2256851327</b>	<b>2006945934</b>
<b>19 Other Income</b>		
Exchange Rate Difference	342220	1015468
Interest Income	2045989	2066894
Sales of Scrap	1219225	653320
Rent Received	100000	-
Other Income (Insurance claim +bonus recd)	3863359	2585371
Management Consultancy Charges	7500000	-
Sundry Balances Written off/back	25162	56738
Profit on Sale of Fixed Assets	46663444	-
Profit on Sales of Investment	564480	-
Surplus on Sales of Fixed Assets	-	7367
	<b>62323879</b>	<b>6385157</b>
<b>20 Cost Of Raw Material Consumed</b>		
Alu. Ingots	840290015	708023916
Alu. Foils	53123859	51040597
Steric Acid	22518921	19586882
M.T.O./Solvent Naptha/M.E.G.	27532642	24504203
Manganese/Magnetite	27729756	30281810
Alu.Wire Rod / Alloys	494848672	365544011
Iron Non Alloy Steel Reinforce	10228285	69848829
	<b>1476272150</b>	<b>1268830248</b>
<b>21 Change In Inventories Of Finished Goods and Stock In Process</b>		
<b>Finished Goods</b>		
Opening Stock	109260007	107075140
Closing Stock	132805563	109260007
	<b>23545556</b>	<b>2184867</b>
<b>Stock In Process</b>		
Opening Stock	4593015	4385220
Closing Stock	4462160	4593015
	<b>(130855)</b>	<b>207795</b>
<b>22 Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	88389181	66414252
Contribution to PF & Other Funds	5409834	5226608
Allowances & Fringe benefits	37406764	35454498
Staff and labour Welfare Expenses	2205685	1339398
	<b>133411464</b>	<b>108434756</b>
<b>23 Finance Cost</b>		
Interest expense	35512858	49641678
Bank Charges	3499110	4562542
Applicable loss on Foreign Currency transaction and Translation	3244633	12045069
	<b>42256600</b>	<b>66249289</b>
<b>24 Depreciation and Amortization</b>		
Depreciation of Tangible Assets	18172976	16168523
	<b>18172976</b>	<b>16168523</b>

# MMP INDUSTRIES LIMITED

## Notes forming part of the financial statements

	31.03.2017 ₹	31.03.2016 ₹
<b>25 Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Stores Consumed	34221212	32000008
Packing Material Consumed	49823472	51157691
Power & Fuel	98356203	105847631
Repair to Machinery	3492566	2140319
Repair to Building	5741697	5892903
Computers and Other	539723	85685
<b>Total (a)</b>	<b>192174873</b>	<b>197124237</b>
<b>Establishment Expenses</b>		
Garden Development Expenses	576904	27975
Rates & Taxes	973630	793961
Insurance Expenses	2690160	2216736
Advertisement	149950	151925
Books and periodicals	9952	15893
Conveyance	599195	599866
General Charges	654485	409714
Legal & Professional Charges	3924043	3034130
Office & Other Expenses	2879703	2225543
Postage, Telegram & Telephone	1458352	1524632
Printing & Stationery	982476	995136
Pollution Control Expenses	7010	195451
Rent Charges	90000	90000
Security Service Charges	2746210	2593750
Light & Water Charges	608796	332699
Technical Consultancy Charges-Others	6560753	3027129
Travelling Expenses (Director)	285727	329973
Travelling Expenses	1142802	1574507
Vehicle Expenses	1521336	1455576
Expenses on Live Stock	25025	47851
Bad Debts Written Off	-	1185865
CSR Activity	338146	171000
Sitting Fees	30000	-
Donation	26000	-
<b>Total (b)</b>	<b>28280654</b>	<b>22999312</b>
<b>Selling &amp; Distribution Expenses</b>		
Freight Outwards	5604716	4309805
Export Freight & Shipment	3020050	2624612
Seminar & Conference Exp.	3000	32020
Excise Duty Expenses	129582	448
Vat Tax/Sales Tax Expenses	272879	815466
Service Tax GTA	634765	375255
Sampling/Analysis Charges	276524	318122
Selling Expenses	1105855	801087
Commission & Discount	1507046	2630335
Royalty	3608821	2052663
<b>Total (c)</b>	<b>16163238</b>	<b>13959814</b>
<b>Audit Fees Incl. Tax audit fees</b>	<b>55000</b>	<b>45000</b>
<b>Total (a+b+c+d)</b>	<b>236673765</b>	<b>234128363</b>



# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## Notes forming part of the financial statements

26. Note to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

27. The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements to which these consolidated financial statements are attached. Difference in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these difference is not significant.

## 28 Consolidated Related Party Disclosure

a) Name of related parties and description of relationship

Description of Relationship	Name of Related Parties
Related Enterprises where significant influence exist	Star Circlips & Engineering Ltd. Toyal MMP India Private Limited
Key Management Personnel	Shri Arun Bhandari Shri Lalit Bhandari Shri Madan Mohan Agrawal
Relative of Key Management Personnel	Smt. Saroj Bhandari Smt. Sakshi Bhandari Shri Mayank Bhandari Miss Rohini Bhandari

## 29 Consolidated Contingent Liabilities (Amt.in lacs)

1. Guarantee given by the Company's Bankers	128.06	83.56
2. Sales Tax Demand pending with Appellate Authorities	53.37	52.95
3. Income Tax Demand and appeal pending with CIT	3.09	1.84
4. Central Excise duty & Service Tax Demand pending with additional Commissioner Nagpur	196.19	46.19
II		

## 30 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹.Nil ( P.Y. ₹.Nil )

## 31 Details of Specified Bank Notes

Particulars	Specified Bank Note	Other Denomination	Total
Closing cash in hand as on 08.11.2016	3336000	913195.95	4249196
(+) Permitted receipts	-	1507370	1507370
(-) Permitted payments	-	1611252	1611252
(+) Amount deposited in Banks	3336000		3336000
Closing cash in hand as on 30.12.2016	-	809314	809314

32 Previous year figures has been recast / regrouped / restated wherever necessary to make them comparable.

## SIGNATURE TO NOTE "1" TO "32"

AS PER OUR REPORT OF EVEN DATE ATTACHED

For N.S.Rathore & Co,  
Chartered Accountants  
FRN-012414C

N.S.Rathore & Co  
N.S.VYAS  
Partner  
Membership No.-010937  
Place : Jaipur  
Date : 18/08/2017

For and on behalf of the board

(ARUN BHANDARI)  
Managing Director

Place : Nagpur  
Date : 18/08/2017

(LALIT BHANDARI)  
Director