



# MPF Systems Limited

(Formerly known as Mather And Platt Fire Systems Limited)

CIN: L65999MH1993PLC287894

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10<sup>th</sup> September , 2018

To  
The Manager,  
Department of Corporate Relations,  
BSE Limited,  
17<sup>th</sup> Floor, P. J. Towers,  
Dalal Street, Mumbai - 400 001.

**Subject: Submission of Annual Report for the financial year 2017-2018**

**BSE Code: 532470**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we enclosed herewith please find the Annual Report of the Company for the financial year 2017-2018, as per the provisions of the Companies Act, 2013 at the 25<sup>th</sup> Annual General Meeting of the Company to be held on 29<sup>th</sup> September , 2018.

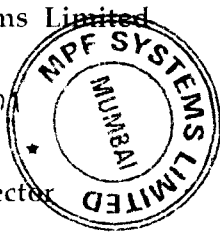
Please acknowledge and take on record the same.

Thank you,

For Mpf Systems Limited

*K.M. Salvi*

Kirti Salvi  
Managing Director



# **MPF SYSTEMS LIMITED**

**CIN: L65999MH1993PLC287894**

Registered Office: Plot No. 108, Prim Plaza, J. V. Compound,  
B. M. Road, Elphinstone (W), Mumbai - 400013.

## **25th ANNUAL REPORT**

**2017-2018**

**CORPORATE INFORMATION**  
**BOARD OF DIRECTORS**

Mrs. Kirti Ghag Rakesh	Executive Director, Managing Director
Mr. Anil Kothari	Non-Executive, Independent Director
Mr. Aakesh Chopra	Non-Executive, Independent Director

**BANKERS**  
AXIS BANK LTD.

**AUDITORS**  
M/s. Kala Jain & Co. Chartered Accountants

**REGISTERED OFFICE:**  
108 PRIME PLAZA, J.B.COMPOUND,  
ELPHISTONE ROAD, MUMBAI- 400013

**LISTING**  
BOMBAY STOCK EXCHANGE LIMITED

**REGISTRAR & SHARE TRANSFER AGENT**  
PURVA SHAREGISTRY INDIA PVT. LTD.,  
NO.9, SHIV SHAKTI INDUSTRIAL ESTATE,  
GROUND FLOOR, J. R. BORICHA MARG,  
OPP. KASTURBA HOSPITAL, LOWER PAREL (W),  
MUMBAI – 400 011.

**NOTICE**

**NOTICE** is hereby given that the **25th Annual General Meeting** of the members of **MPF Systems Limited** will be held as under:

**Day:** Saturday

**Date:** 29th September, 2018

**Time:** 11:30 A.M.

**Venue:** Plot no. 108 Prim Plaza, J. V. Compound,  
B.M. Road, Elphinstone (W),  
Mumbai – 400013.

To transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Statement of the Company for the financial year ended **31st March, 2018**, the Reports of the Board of Directors and Auditors thereon;
2. To appoint Auditors and fix their remuneration:

To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the audit committee to the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th June, 2015, the appointment of M/s. Kala Jain & Co. - Chartered Accountants having Firm Registration No. 127886W as the Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2020 (subject to ratification of the appointment by the members at every Annual General Meeting) and that the Board of Directors be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

**On behalf of the Board of Directors  
For MPF Systems Limited**

**Place: Mumbai**

**Dated: 30th May, 2018**

**Sd/-**

**Kirti Salvi  
Managing Director  
DIN: 07141300**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office at 108, Prime Plaza, Elphinston, Mumbai - 400011 not less than forty eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 24th September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of AGM.
5. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Purva Shareregistry (India) Private Limited as the Registrar & Share Transfer Agent, having their office at 9, Shiv Shakti Industrial estate, J.R. Boricha Marg, opposite Kasturba, Mumbai-400011.
6. Members are requested to notify immediately any change in their address:
  - a. To their Depository Participants DPs in respect of their electronic share accounts,
  - b. To the share transfer agent M/s. Purva Shareregistry (India) Private Limited as the Registrar & Share Transfer Agent, having their office at 9, Shiv Shakti Industrial estate, J.R. Boricha Marg, opposite Kasturba, Mumbai-400011 Email Id- hari@asiahrtech.com
7. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
8. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. Members who are holding shares in physical form are requested to get their shares dematerialized with any depository participants in their own interest.
10. Members are requested to carry the copy of the Annual Report sent to them. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode. Members are requested to register/update their email address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
11. Members may also note that the notice of the 25th Annual General Meeting and the Annual report for 2017-2018 will also be available on the Company's website [www.mpsl.co.in](http://www.mpsl.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days from 11.00 a.m. to 1.00 p.m. from Monday to Friday. Members are requested to bring their copies of the Annual report at the time of attending the Annual General Meeting.

12. Information required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, in respect of the directors seeking appointment/reappointment at the AGM, is furnished below. The directors have furnished consent/declaration for their appointment/reappointment as required under the Companies Act, 2013 and the Rules thereunder.

**On behalf of the Board of Directors  
For MPF Systems Limited**

**Place: Mumbai**

**Sd/-**

**Dated: 30th May, 2018**

**Kirti Salvi  
Managing Director  
DIN: 07141300**

### **Voting through Electronic Means:**

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e- voting services provided by CDSL.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on (Wednesday) 26th September, 2018 at 9.00 a.m. and ends on (Friday) 28th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of (Saturday) 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Now to cast your vote: Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0`s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / Folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant “MPF SYSTEMS LIMITED” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) The Company has appointed M/s. Ramesh Chandra Mishra & Associates, Practicing Company Secretaries (C.P. No. 3987 and FCS No. 5477) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxii) A copy of this notice has been placed on the website of the Company and the website of CDSL.
- (xxiii) In case of Members who are entitled to vote but have not electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.

**On behalf of the Board of Directors  
For MPF Systems Limited**

**Place: Mumbai**

**Dated: 30th May, 2018**

**Sd/-**

**Kirti Salvi  
Managing Director  
DIN: 07141300**



**DIRECTORS' REPORT**

**Dear Members,**

Your Directors are pleased to present the **25th Annual Report** of the Company together with the Audited Financial Statements for the year ended **31st March, 2018**.

**SUMMARY OF FINANCIAL RESULTS OF THE COMPANY:****Standalone**

<b>PARTICULARS</b>	<b>2017-2018</b>	<b>2016-2017</b>
Total Income	24,425	-
Total Expenditure	12,64,326	16,57,032
Profit Before Interest and depreciation	(12,39,901)	(16,57,032)
Less: Depreciation	-	-
Interest	-	-
Tax	-	-
Net Profit/(Loss) After Tax	(12,39,901)	(16,57,032)

**OPERATIONAL PERFORMANCE:**

Income of the company from operations is Rs. Nil. Loss before tax is Rs. (12,39,901) as compared to Rs. (16,57,032) in previous year.

**TRANSFER TO RESERVES:**

Due to unabsorbed losses no amount has been proposed to be transferred to Reserves.

**DIVIDEND:**

In view of accumulated losses, your Directors did not recommend any dividend for the year.

**DEPOSITS:**

The company has not accepted/renewed deposits within the meaning of Section 73 of the Companies Act, 2013 and rules made there under from public or from the shareholders during the period under review.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) read with Schedule Part V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with Stock Exchange in India, is presented in a separate Annexure - I forming part of the Annual Report.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of the Company or any of its subsidiaries during the year. The company had applied for reduction of capital to the National Company Law Tribunal and the same was approved by the hon'ble National Company Law Tribunal on 30th June, 2017.

The Company already reduced the capital as per the scheme of reduction to Section 100 of Companies Act 1956 and/or Section 66 other applicable provisions, if any, of the Companies Act, 2013, Articles of Association of the Company and subject to confirmation/approval by the High Court\* having appropriate Jurisdiction, the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs.

34,026,470/- (Rupees Three Crore forty Lacs Twenty-six Thousand four Hundred and Seventy Only) divided into 3,402,647 (Thirty four Lacs Twenty Six Thousand Four hundred and Forty-seven Only) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 1,701,320 (Seventeen Lacs One Thousand Three Hundred and Twenty only) divided into 170,132 (One Lacs Seventy Thousand One Hundred and Thirty two Only) Equity Shares of Rs. 10/- (Ten only) each.

The application for listing of new shares on account of reduction of capital pending for disposal before Stock Exchange. Hence, the trading of shares temporarily under hold by the stock exchange for procedural reason.

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

During the year under review, there were no material changes and commitments affecting the financial position of the Company.

#### **FORENSIC AUDIT:**

The Stock Exchange has ordered a forensic order in relation to the financial transaction of the company for the past 3 years to find out the accommodative entries if any.

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

As per the provisions of Section 149(4) of the Companies Act, 2013 every listed company shall have at least one-third of the total number of directors as independent directors. The Board of the Company to comply with the aforesaid requirements

As per the Section 149(10) of the Companies Act, 2013 provides that independent director shall hold office for a term of upto five consecutive years on the Board of the Company. Further, according to the Section 149 (11) of the Companies Act, 2013, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

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

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **INDEPENDENT DIRECTORS DECLARATION:**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not promoters of the Company or its holding, subsidiary or associate company;
2. They are not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have /had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives--

- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of--
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - (iii) Holds together with his relatives two percent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five percent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
6. Independent Director possesses such qualifications as may be directed by the Board.
7. The Company & the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

#### **BOARD EVALUATION:**

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results along with evaluation done by the Nomination and Remuneration Committee.

#### **PERFORMANCE OF THE BOARD AND COMMITTEES:**

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

- (i) All Directors had attended the Board meetings.
- (ii) The remunerations paid to Executive Directors are strictly as per the Company and industry policy.
- (iii) The Independent Directors only received sitting fees.
- (iv) The Independent Directors contributed significantly in the Board and committee deliberation and business and operations of the Company and subsidiaries based on their experience and knowledge and Independent views.
- (v) The Credit Policy, Loan Policy and compliances were reviewed periodically;
- (vi) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Audit committee and Board.

#### **MEETING OF INDEPENDENT DIRECTORS:**

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company held their meeting on 14th February, 2017, reviewed the performance of non-independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction. The Board is professionally managed.

**POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on 31st March, 2017, the Board consists of 3 members. Out of which one is the Managing Director, two are independent Directors.

The policy of the Company on directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board and are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**COMMITTEES OF THE BOARD:**

Currently, the Board has Four Committees :(1) Audit Committee, (2) Nomination and Remuneration Committee,(3) Stakeholders Relationship Committee, (4) Shares Transfer Committee,

A detailed note on the Board and its Committees is provided under the Corporate Governance Report that forms part of this Annual Report.

**NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to the Section 178 of the Companies Act, 2013, the Company has set up a Nomination and Remuneration and Stakeholders Relationship Committee. A detailed note on the composition of the Committees is provided in the corporate governance report section of this Annual Report.

**The Key Features of the Policy of the said committee are as follows:**

For Appointment of Independent Director (ID):

- a. Any person who is between the age of 25 years and below 75 years eligible to become Independent Director(ID);
- b. He has to fulfill the requirements as per section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement;
- c. Adhere to the code of conduct as per Schedule IV to the Companies Act, 2013;
- d. Strictly adhere to the Insider Trading Regulation of the SEBI and Insider Trading policy of the Company;
- e. Independent Director should have adequate knowledge and reasonably able to contribute to the growth of the Company and stakeholders;
- f. Independent Director should be able to devote time for the Board and other meetings of the company;
- g. Entitled for sitting fees and reasonable conveyance to attend the meetings; and
- h. Able to review the policy, participate in the meeting with all the stakeholders of the company at the Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2017 on a 'going concern' basis.
- (v) The internal financial controls are laid and have been followed by the company and that such controls are adequate and are operating effectively. Such controls means controls and policies and procedures adopted and adhered by the company for orderly and efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficiency.
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In terms of the provisions of Section 177(9) of the Companies Act, 2013, the Company has implemented a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any, in staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

**STATUTORY AUDITORS:**

At the Annual General Meeting held on June 30, 2015 M/s. Kala Jain & Co., Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2020.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Kala Jain & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders.

In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**AUDITORS REPORT:**

The Auditors have not made any qualification to the financial statement. Their reports on relevant notes on

accounts are self-explanatory and do not call for any comments under section 134 of the companies Act, 2013.

**SECRETARIAL AUDITORS AND THEIR REPORT:**

M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for F.Y. 2017-18 is Annexure-II to this Board's Report.

The Board has re-appointed M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice, as secretarial auditor of the Company for the financial year 2018-19.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS:**

The company received approval for reduction of capital from Hon'ble National Company Law Tribunal for the application filed relating to the reduction of the capital.

The application for listing of new shares on account of reduction of capital pending for disposal before Stock Exchange. Hence, the trading of shares temporarily under hold by the stock exchange for procedural reason.

**CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

The details of Conversion of Energy, Technology Absorption are not applicable in the case of the company. However the company took adequate steps to conserve the energy and used the latest technology.

During the year under review there were no foreign Exchange Earnings. The Foreign Exchange outgo is Nil.

**RELATED PARTY TRANSACTIONS/CONTRACTS:**

The Company has implemented a Related Party Transactions policy for the purposes of identification and monitoring of such transactions. All the transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

There were no loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013.

**EXTRACT OF ANNUAL RETURNS:**

Pursuant to the Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return is Form MGT-9 is Annexure-III.

**CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with a Certificate from M/s. Ramesh Chandra Mishra & Associates, regarding compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of this Report and Annexure-IV to this Board's Report.

**BANK AND FINANCIAL INSTITUTIONS:**

Directors are thankful to their bankers for their continued support to the company.

**ACKNOWLEDGMENTS:**

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

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

**Place: Mumbai**

**Dated: 30th May, 2018**

**On behalf of the Board of Directors  
For MPF Systems Limited**

**Sd/-**

**Kirti Salvi  
Managing Director  
DIN: 07141300**

**Annexure – I**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Industry Structure and Developments**

Your Company is engaged in hire purchase, leasing giving on rent or otherwise finance plant and machinery etc. However the rates of interest going southward , though the process has started its progress is slow as compared to what the industry expects. The Company is evaluating various options in the present scenario. The management is optimistic that in the current year the environment for investment in certain core sectors will become viable keeping a long term perspective in mind.

**Opportunities and Threats**

Your Management is evaluating various business opportunities and threats. Fluctuating market conditions still remain a major threat to the company. New investments opportunities in equity linked instruments and mutual funds are being given importance.

**Business Outlook**

Your Company is evaluating various options to raise low cost funds for investments in core sectors where growth is assured in the long term at a reasonable return on investment and risks are low.

Your Company's strategy going forward would be to diversify into core areas where risks are limited and prospects of long term growth in the sector is well established. Decrease in market fluctuations and risks associated with the company's business have provided the company with opportunities of growth and diversification. Diversification of investments will be given due importance. Keeping in mind the positive sentiment in the stock market in the past year. The company mainly focused in low cost housing. The Company completely discontinued its food processing activities.

**Internal Control Systems and Adequacy**

As part of the effort to evaluate the effectiveness of the internal control systems, your Company reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Steps are been taken to upgrade the internal control systems from time to time.

**Human Resources**

At the moment there are not many employees but as the Company plans to diversify, importance on proper manpower recruitment with the required skill sets will be emphasized.

**Resources / Industrial Relations**

The company recognizes the importance of Human resource development. The company has an adequate pool of professionals who are qualified and experienced and recruitment will be made as and when required.

**By Order of Board**  
**For MPF Systems Limited**  
Sd/-  
**Kirti Salvi**  
**Managing Director**  
**DIN: 07141300**



**Annexure - II**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
MPF Systems Limited,  
108, Prime Plaza, J.V. Compound,  
Elphinstone Road, Mumbai - 400 013.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPF Systems Limited (hereinafter called the Company)**.

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under and certain provisions of Companies Act, 1956 and rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
9. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
10. Securities and Exchange Board of India (Listing Obligation Disclosure Requirements, Regulation 2015)  
Other laws applicable specifically to the company namely:

The Company not yet started low cost housing project.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

I further report that, there were no actions / events in pursuance of:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998,

Further based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place: Mumbai**  
**Date: 30th May, 2018**

For Ramesh Chandra Mishra & Associates  
Sd/-  
Ramesh Chandra Mishra  
Company Secretary in Practice  
FCS: 5477  
PCS: 3987

**ANNEXURE-III**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31.03.2018  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i)	CIN	L65999MH1993PLC287894
ii)	Registration Date	2/7/1993
iii)	Name of the Company	MPF SYSTEMS LIMITED
iv)	Category/Sub-category of the Company	Public Company / Company limited by Shares
v)	Address of the Registered office & contact details	108, Prime Plaza, J.V. Patel Compound, B.M.Road Elphinstone (w) Mumbai-400013 Mumbai Mumbai City MH 400013 IN
vi)	Whether listed company	Yes
vii)	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Purva Sharegistry (India) Private Limited, No.9,Shiv Shakti Industrial Estate, Ground Floor, J.R. Boricha Marg, Opposite Kasturbha, Mumbai-400011 , Phone No.022-23016761, E-mail: - busicomp@gmail.com

**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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1)	a.	C6	100%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NA				

A. Category Wise Shareholding									
Category Of Shareholders	No Of Shares held at the beginning of 31/03/2017				No Of Shares held at the end of 31/03/2018				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individuals/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	1889159	0	1889159	55.52	1889159	0	1889159	55.52	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
* PERSON ACTING IN	0	0	0	0	0	0	0	0	0
Sub Total (A)(1):	1889159	0	1889159	55.52	1889159	0	1889159	55.52	0.00
(2) Foreign									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter	1889159	0	1889159	55.52	1889159	0	1889159	55.52	0.00
<b>B. Public Shareholding</b>									
(1) Institutions									
(a) Mutual Funds	0	216	216	0.01	0	216	216	0.01	0.00
(b) Banks FI	18	743	761	0.02	18	743	761	0.02	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	2	2	0.00	0	2	2	0.00	0.00
* FINANCIAL INSTITUTIONS	17137	0	17137	0.50	17137	0	17137	0.50	0.00
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
* GOVERNMENT COMPANIES	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0
* OTC DEALERS (BODIES	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	0	129	129	0.00	0	129	129	0.00	0.00
Sub-total (B)(1):	17155	1090	18245	0.54	17155	1090	18245	0.54	0.00
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	40137	13088	53225	1.56	37974	13088	51062	1.50	-0.06
(ii) Overseas	0	71	71	0.00	0	71	71	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding	552771	524970	1077741	31.67	555070	524280	1079350	31.72	0.05
(ii) Individual shareholders holding	254692	0	254692	7.49	254692	0	254692	7.49	0.00
(c) Others (specify)									
* IEPF	0	0	0	0	0	0	0	0	0
* LLP	0	0	0	0	0	0	0	0	0
* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT	0	0	0	0	0	0	0	0	0
* N.R.I.	4011	544	4555	0.13	4242	544	4786	0.14	0.01
* FOREIGN CORPORATE	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	99498	0	99498	2.92	99869	0	99869	2.94	0.01
* EMPLOYEE	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	5461	0	5461	0.16	5413	0	5413	0.16	0.00

* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS &	0	0	0	0	0	0	0	0	0
* MARKET MAKERS	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	956570	538673	1495243	43.94	957260	537983	1495243	43.94	0.00
Total Public Shareholding (B) =	973725	539763	1513488	44.48	974415	539073	1513488	44.48	0.00
C. TOTSHR held by Custodian for	0	0	0	0	0	0	0	0	0
Grand Total(A + B + C)	2862884	539763	3402647	100	2863574	539073	3402647	100	0
Other									

**B. Shareholding of Promoters**

SL No.	ShareHolder's Name	ShareHolding at the 31/03/2017			ShareHolding at the end of 31/03/2018			% change in share holding 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	ROYAL NIRMAN	1889159	55.52	0.00	1889159	55.52	0.00	0.00

**C. Change in Promoter's Shareholding:**

SL No.	ShareHolder's Name	ShareHolding at 31/03/2017		Cumulative 31/03/2018		Type
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	ROYAL NIRMAN	1889159	55.52			
	31-03-2018			1889159	55.52	

**D. Shareholding Pattern of top ten Shareholders:**

SL No.	ShareHolder's Name	ShareHolding at 31/03/2017		Cumulative 31/03/2018		Type
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	RADHIKA TARUN	56247	1.65			
	31-03-2018			56247	1.65	
2	BHANWAR LAL	40925	1.20			
	31-03-2018			40925	1.20	
3	NITIN MANSUKHLAL	38600	1.13			
	31-03-2018			38600	1.13	
4	MITA DIPAK SHAH	36000	1.06			
	31-03-2018			36000	1.06	
5	RAHUL NITIN	34311	1.01			
	31-03-2018			34311	1.01	
6	NITIN MANSUKHLAL	34107	1.00			
	31-03-2018			34107	1.00	
7	CHANDRA PRABHA	29811	0.88			
	31-03-2018			29811	0.88	
8	RAHUL NITIN SHAH	18731	0.55			
	31-03-2018			18731	0.55	
9	LIFE INSURANCE	17137	0.50			
	31-03-2018			17137	0.50	
10	BEACON CREDITCAP	14260	0.42			
	31-03-2018			14260	0.42	

**E. Shareholding of Directors and Key Managerial Personnel:**

SL No.	ShareHolder's Name	ShareHolding at 31/03/2017		Cumulative 31/03/2018		Type
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	

## V INDEBTEDNESS

(amt in lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>		NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction				
Reinstatement				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		NIL	NIL	NIL

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager:

(amt in lakhs)

Sl.No	Particulars of Remuneration	Name of the Managing Director			Total Amount
		Mr.Kirti Salvi			
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section				
	(b) Value of perquisites u/s 17(2) of the Income tax				
	(c) Profits in lieu of salary under section 17(3) of the				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others (specify)				
5	Others, please specify				
	<b>Total (A)</b>	<b>NIL</b>			<b>NIL</b>
	<b>Ceiling as per the Act</b>				

## B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors		
1	Independent Directors	Mr.Aakesh Chopra		
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify			
	<b>Total (1)</b>	<b>NIL</b>		
2	Other Non Executive Directors	MR. Anil Kothari		
	(a) Fee for attending			
	(b) Commission			
	(c) Others, please specify.			
	<b>Total (2)</b>	<b>NIL</b>		
	<b>Total (B)=(1+2)</b>	<b>NIL</b>		
	<b>Total Managerial Remuneration</b>			
	<b>Overall Ceiling as per the Act.</b>			

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(amt in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	<b>Gross Salary</b>				
	(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) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total</b>				



## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY- NIL</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS - NIL</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT - NIL</b>					
Penalty					
Punishment					
Compounding					

**Annexure - IV**  
**CORPORATE GOVERNANCE REPORT**

**COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE:**

The Company is a listed company on Bombay Stock Exchange Limited. Corporate governance under Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company. However, as a good secretarial practice the Company voluntarily maintains the Corporate Governance Report every year.

MPF Systems Limited management constantly strives towards improving, systems and process that promote the values of transparency, professionalism, accountability and compliance. The Company remains firmly committed to this central theme and endeavors to improve these values on an ongoing basis. We have an obligation towards our stakeholders including shareholders, employees, customers, suppliers and communities to be honest, fair and forthright in our business activities.

Good corporate governance is the basis for decision-making and control processes and comprises responsible, value-based management and monitoring focused on long-term success, goal-orientation and respect for the interests of our stakeholders.

Recent amendments of Companies Act, 2013 are effective from October 1, 2014. The amended rules require Companies to get shareholders' approval for related party transactions, establish whistleblower mechanisms, elaborate disclosures on pay packages and have at least one Woman Director on their boards. The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 2nd September, 2015, replacing the earlier Listing Agreement (w.e.f. 1st December, 2015). The amended norm is aligned with the provisions of the Companies Act, 2013 and is aimed to encourage Companies to 'adopt best practices on corporate governance.

**BOARD OF DIRECTORS:**

At present the Board of the Company is adequately equipped and well represented by Women Director and Independent Directors of high repute. The Chairman of the Board and Audit Committee is headed by Independent Director(s). As per the Listing Regulations, it is mandatory for the company with a non-executive director as a chairperson to have at least one-third of the independent directors. The following composition of board of directors of the company as follows:

(As per the Listing Regulations, it is mandatory for the company with a executive director as a chairperson to have at least one –half of the independent directors on the Board)

**COMPOSITION OF BOARD AS ON 31st MARCH, 2018:**

SR.NO.	NAME OF DIRECTOR	CATEGORY	DESIGNATION
1	Mrs. Kirti Salvi	Executive	Managing Director/ Chairman
2	Mr. Anil Kothari	Independent, Non- Executive	Director
3	Mr. Aakesh Chopra	Independent , Non Executive	Director

**MEETINGS AND ATTENDANCE DURING THE YEAR 2017-2018:**

**Annual General Meeting will be held on Saturday, 29th September, 2018.**

**Board Meetings were conducted 6(Six) times during the year as follows:**

Sr. No	Date	Board Strength	No. of. Directors Present
1	20 <sup>th</sup> May 2017	3	3
2	10 <sup>th</sup> Jul 2017	3	3
3	11 <sup>th</sup> Aug 2017	3	3
4	28 <sup>th</sup> Nov 2017	3	3
5	13 <sup>th</sup> Dec 2017	3	3
6	12 <sup>th</sup> Feb 2018	3	3

**The record of Attendance at Board Meetings and Membership of Board of Directors as on 31st March, 2018:**

Sr. No	Name of Directors	No of Board Meetings attended during the Year	Attendance at the AGM
1	Mrs. Kirti Salvi	6	P
2	Mr. Anil Kothari	6	P
5	Aakesh Chopra	6	P

**NOTES:**

- The Board evaluated each of Independent Directors participation in the Board and their vast experience, expertise and contribution to the Board and Company. Each and every related party transactions very well scrutinized and checks were made so that the Company is a beneficiary.
- The Independent Directors held a meeting on 12th February, 2018, without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at the meeting and they have reviewed the performance of non-independent directors and the Board, performance of the Chairman and information flow structure of the Company.
- During the period the Company received notices/declarations from the Independent Directors as per Schedule IV and section 149 (6) of the Companies Act, 2013.
- Ms. Kirti Salvi is a women director to the Board.
- The Directors also set up a Whistleblower mechanism in line with the policy of the company and as per SEBI notification CIR/CFD/POLICY CELL/2/2014 read with section 177 of Companies Act, 2013.

**AUDIT COMMITTEE:****Brief description and terms of reference:**

To oversee the Company's Financial Report process, internal control systems, reviewing the accounting policies and practices, and financial statements audited by the statutory auditors. The audit committee is duly constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 177 of the Companies Act, 2013.

**Composition of Audit Committee as on 31st March, 2018:**

Sr.No.	Name of Members	Category	Designation
1.	Mr. Anil Kothari	Independent Director	Chairman
2.	Mr. Aakesh Chopra	Independent Director	Member
3.	Mrs. Kirti Salvi	Managing Direcor	Member

**Company has conducted 4(Four) Audit Committee Meeting during the year.**

April – June	July – September	October – December	January – March
20 <sup>th</sup> May 2017	11 <sup>th</sup> Aug 2017	13 <sup>th</sup> Dec 2017	12 <sup>th</sup> Feb 2018

**Meetings and Attendance of the Audit Committee during the year:**

Sr. No	Name of Member	No. of Meeting Held During the Year	No. of Meeting Attended
1	Mr. Aakesh Chopra	4	4
2	Mr. Anil Kothari	4	4
3	Mrs. Kirti Salvi	4	4

The Audit Committee meetings are also attended by CFO & Director Finance, Internal Auditors and Statutory Auditors as invitees.

**Powers of the Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of the Audit Committee:**

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. 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;
16. 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;
17. To 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;
18. To review the functioning of the Whistle Blower mechanism;
19. 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;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

##### **Brief description and terms of reference:**

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non-Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Nomination and Remuneration Committee is duly constituted and the matters specified in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

##### **Composition of Nomination and Remuneration Committee as on 31st March, 2018:**

Sr. No.	Name of Members	Category	Designation
1	Mr. Anil Kothari	Independent Director	Chairman
2	Mr. Aakesh Chopra	Independent Director	Member
3	Mrs. Kirti Salvi	Managing Director	Member

##### **ROLE OF THE COMMITTEE:**

The role of Nomination and Remuneration Committee is as follows:

- determining/recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining/recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

##### **SHARES TRANSFER COMMITTEE:**

##### **Brief description and Terms of Reference:**

The Board has delegated the powers to a committee to approve transfer/transmission of shares and attend to all other matters related thereto. The Share Transfer Committee is duly constituted as follows:

**Composition of Shares Transfer Committee as on 31st March, 2018:**

Sr. No.	Name of Members	Category	Designation
1	Ms.Kirti Salvi	Managing Director	Chairman
2	Mr. Anil Kothari	Independent Director	Member
3	Mr. Aakesh Chopra	Independent Director	Member

Company has conducted Nomination and Remuneration Committee meetings on **12th February, 2018**.

**STAKEHOLDER RELATIONSHIP COMMITTEE:****Brief description and Terms of Reference:**

To specifically look into redressal of complaints like transfer of shares, non- receipt of dividend, non-receipt of annual report etc. received from shareholders/ investors and improve efficiency. The Committee performs such other functions as may be necessary or appropriate for the performance of its duties. The Stakeholder Relationship Committee is duly constituted and the matters specified in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and of Section 178 of the Companies Act, 2013.

**Composition of Stakeholder Relationship Committee as on 31st March, 2018:**

Sr.No.	Name of Members	Category	Designation
1	Mr. Anil Kothari	Independent Director	Chairman
2	Ms.Kirti Salvi	Managing Director	Member
3	Mr. Aakesh Chopra	Independent Director	Member

Company has conducted Nomination and Remuneration Committee meetings on 11th August, 2017.

**MANAGEMENT REVIEW AND RESPONSIBILITY:****FORMAL EVALUATION OF OFFICERS:**

The Remuneration Committee of the Board approves the compensation and benefits for all executive Board members. Another committee, headed by the MD, reviews, evaluates and decides the annual compensation of our officers from the level of executive upwards.

**DISCLOSURES:****1. RELATED PARTY DISCLOSURES:**

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management. The Company had formulated and adopted a policy with related party transaction and same is displayed on the Company's website [www.mpfs.co.in](http://www.mpfs.co.in)

**2. COMPLIANCE BY THE COMPANY:**

The Company has complied with the requirement of regulatory authorities on matters related to capital market and no penalties/ stricture have been imposed against the Company during the last three years.

**3. ACCOUNTING TREATMENT:**

The account treatments are in accordance with the applicable accounting standard. The company has not altered or adapted any new standard.

**4. VIGIL MECHANISM / WHISTLE BLOWER:**

The Company has implemented a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement. The Company is committed to the high standards of Corporate Governance and stakeholder responsibility. All personnel have affirmed that they have not been denied access to the Chairman of the audit committee.

**5. NON-MANDATORY REQUIREMENTS:**

Shareholder's Rights: The half yearly financial results are published in leading newspapers and also displayed on the Company's website [www.mpfsl.co.in](http://www.mpfsl.co.in).

**6. PREVENTION OF INSIDER TRADING:**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of Insider Trading) Regulation, 2015 and the same is available on the Company's website '[www.mpfsl.co.in](http://www.mpfsl.co.in)'. This policy also includes practices and procedures for fair disclosures of unpublished price-sensitive information, initial and continual disclosures.

**7. CODE OF CONDUCT:**

In accordance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for Board of Director and Senior Management. The Code is available on the Company's website '[www.mpfsl.co.in](http://www.mpfsl.co.in)'.

All members of the Board of Directors and Senior Management personnel have affirmed compliance to the Code as on 31st March, 2018. A declaration to this effect signed by the Managing Director is annexed to this Report.

**8. CEO AND CFO CERTIFICATION:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

**ANNUAL GENERAL MEETINGS:****Details of Annual General Meetings:**

Particulars	F.Y.2016 -2017	F.Y.2015 -2016	F.Y.2014 -2015
<b>Date</b>	29.09.2017	30.09.2016	30.06.2015
<b>Time</b>	11.30 A.M.	3.30 P.M.	10.30 A.M.
<b>Reg. Office</b>	Plot No. 108, Prime plaza, J.V. Compound, B.M. Road, Elphinstone (W), Mumbai – 400013.	Plot No. 6 B, C.T.S. No. 587/2/6 at Parvati Darshan C.H.S. Ltd., Mear Sane Guruji Marg, Pune - 411030	Greaves Compound, Chindwadworks, Bombay-Pune Road, Chinchwad (E) Pune-411019.

**MEANS OF COMMUNICATION:**

Half Yearly Financial Report	The Financial results of the Company are published in leading newspapers and also displayed on the Company's website <a href="http://www.mpfsl.co.in">www.mpfsl.co.in</a> . Therefore, a separate half yearly report is not sent to each shareholder.
Quarterly Financial Results	The quarterly financial results of the Company are published in accordance with the requirement of the Listing Agreement of the Stock Exchanges where the shares of the company are listed.
Newspapers in which results are normally published	Financial express and Mumbai lakshadweep
Website	<a href="http://www.mpfsl.co.in">www.mpfsl.co.in</a>
Administrative/Registered Office	108, Prime Plaza, J.V. Compound, B.M. Road Elphinstone (w) Mumbai-400013.
Whether Management Discussions and Analysis report is a part of Annual Report or not	Yes

**GENERAL SHAREHOLDERS INFORMATION:****1. 25th Annual General Meeting:**

Date : 29th September, 2018  
Time : 11.30 A.M.  
Venue : 108, Prime Plaza, J.V. Patel Compound, B.M. Road, Elphinstone  
Mumbai - 400013.

**2. Date of Book Closure** : (Monday) 24th September, 2018 to (Saturday) 29th September, 2018 (both days inclusive).

**3. Tentative Calendar for financial year 2018 - 2019:**

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2019 are as follows:

Financial Reporting for the Quarter Ended 30 <sup>th</sup> June 2018	By Mid of August 2018
Financial Reporting for the Quarter and Half yearly Ended 30 <sup>th</sup> September 2018	By Mid of November 2018
Financial Reporting for the Quarter Ended 31 <sup>st</sup> December 2018	By mid of February 2019
Financial Reporting for the Quarter Ended 31 <sup>st</sup> March 2019	By mid of May, 2019

**3. Registered Office** : 108, Prime Plaza, J.V. Compound,  
B. M. Road Elphinstone(W) Mumbai-400013.

**4. Listing of Shares on Stock Exchanges:**

The Company shares are listed on BSE Limited (BSE)



6. **A) Stock Codes**  
**BSE : 532470**  
**ISIN : INE095E01014**

**B) Corporate Identity Number: L65999MH1993PLC287894**

7. **Market Price Data: BSE**

**A) The Monthly high/low quotation of equity shares traded on the BSE Limited, Mumbai are as follows**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr-17	4.7	4.7	4.47	4.5	1429
May-17	4.28	4.28	4.07	4.07	47
Jul-17	3.87	3.87	3.66	3.66	174
Aug-17	3.48	3.48	3.48	3.48	63
Oct-17	3.31	3.31	3.07	3.07	2217
Nov-17	3.07	3.38	2.94	3.38	2445
Dec-17	3.54	3.71	3.54	3.71	346

(Source –www.bseindia.com)

8. **Shareholding Pattern as on 31st March, 2018:**

	Categories of Shareholders	Shares Held	% of Total
A)	Promoters	1889159	55.52
B)	Public	1513488	44.48
C)	Non-Promoter	-	-
	<b>TOTAL</b>	<b>3402647</b>	<b>100</b>

9. **Registrar and Transfer Agent:**

#### **SHARE TRANSFER SYSTEM**

M/s. Purva Sharegistry (India) Private Limited continues to be the Registrar and Transfer Agent of the Company. All the work related to share Registry in terms of both Physical and Electronic segment has been allotted to M/s. Purva Sharegistry (India) Private Limited, in view of the directive issued by SEBI in this regard i.e. for handling both Physical as well as Electronic transfer at a single point.

Shareholders are therefore requested to send shares for Physical transfer to M/s. Purva Sharegistry (India) Private Limited instead of sending to the Company. As the Company's shares are compulsorily to be traded in the dematerialized form. Members holding shares in Physical Form are requested to send the share certificate to their Depository Participants to enable Registrar and Transfer Agent to take steps for dematerialization at the following.

The address of Registrar and Transfer agents is:

**M/s. Purva Sharegistry (India) Private Limited**  
**No.9, Shiv Shakti Industrial Estate,**  
**Ground Floor, J.R. Boricha Marg,**  
**Opposite Kasturbha**  
**Mumbai-400011**  
**Phone No.022- 23016761**  
**Email: -busicomp@gmail.com**

**Outstanding ADRs / GDRs:**

The company has not issued any ADRs / GDRs

**Address for Correspondence:**

105/106, Prime Plaza, Elphinstone, Mumbai - 400011.

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

To,  
**The Members of  
MPF Systems Limited**

We have examined the compliance of conditions of corporate governance by MPF Systems Limited ('the Company') for the year ended March 31, 2018 as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ramesh Chandra Mishra & Association**

**Place: Mumbai  
Date: 30th May, 2018**

**Sd/-  
Ramesh Mishra  
FCS: 5477  
PCS: 3987**

**DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
**The Members of  
MPF Systems Limited**

As provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct for the year ended March 31, 2018.

**For MPF SYSTEMS LIMITED**

**Place: Mumbai  
Date: 30th May, 2018**

**Sd/-  
Kirti Salvi  
(Managing Director)  
DIN: 07141300**

**MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

To  
**The Board of Directors**  
**MPF Systems Limited**

We, Mrs. Kirti Salvi, Managing Director and Mr. Ambrish Pal, Chief Financial Officer, do hereby certify as follows:

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For MPF Systems Limited**  
**Sd/-**  
**Kirti Salvi**  
**(Managing Director)**

**For MPF Systems Limited**  
**Sd/-**  
**Ambrish Pal**  
**(Chief Financial Officer)**

**Place: Mumbai**  
**Date: 30th May, 2018**

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**MPF SYSTEMS LIMITED**  
(Previously known as Mather and Platt Fire Systems Limited)

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **MPF SYSTEMS LIMITED** (previously known as Mather and Platt Fire Systems Limited) which comprise the Balance sheet as at 31st March, 2018, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS 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 of these financial statements that give a true and fair view of the financial position, financial performance and 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) Rules, 2014 and the companies ( Indian Accounting standards ) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit of the standalone Ind AS financial statements accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 state of affairs of the Company as at 31st March, 2018, and its loss and its cash flow and the changes in

equity for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- i) Note 25 in the standalone Ind AS financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 25, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note 25
- ii) In the Note no. 24 to the Standalone Ind AS financial statements of the company for the year ended on March 31, 2018 in respect of scheme of capital reduction approved by The National Company Law Tribunal in accordance with which, an amount of Rs 3,23,25,150/- has been reduced from equity share capital by adjusting off the accumulated losses of the company. The effect of the above is given in the earlier year financial statement since the appointed date of scheme of reduction was 1st April 2015.

Our opinion is not qualified in respect of the Emphasis of Matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statement comply with the Accounting Standards specified under section 133 of Act, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors at on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; to this report;
  - 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) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position

except mention in annexure to audit report and in notes to accounts ;

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALA JAIN & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 127886W**  
**Sd/-**  
**(Suparsh Kala)**  
**PARTNER**  
**Membership No.114419**

**Place: Mumbai**  
**Date: 30-05-2018**

**“Annexure B”** to the Independent Auditor's Report of even date on the Standalone Financial Statement of **MPF SYSTEMS LIMITED** (previously known as Mather and Platt Fire Systems Limited)

Report on the Internal Financial Controls 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 **MPF SYSTEMS LIMITED** (previously known as Mather and Platt Fire Systems Limited) as of 31st March, 2018 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

### **Management's Responsibility for the 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 ('ICAI'). These responsibility 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, safeguarding of the 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered accountant of India. 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 control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures 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 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 procedures selected depend on the auditor's judgment, including the assessment of the risk of 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 unauthorised 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 misstatements 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 procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 KALA JAIN & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 127886W**  
**Sd/-**  
**(Suparsh Kala)**  
**PARTNER**  
**Membership No.114419**

**Place: Mumbai**  
**Date: 30-05-2018**

## MPF Systems Limited

## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of MPF Systems Limited for the period Ended on 31<sup>st</sup> March 2018 we report that:

S. No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	In our opinion and according to information and explanation given to us, the company is maintaining proper records of fixed assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	In our opinion and according to information and explanation given to us the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	The Company does not have any immovable properties in its own name.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	No, the company does not hold any physical inventory at the end of the period.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No, In our opinion and according to information and explanation given to us the company has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 189 of the Companies Act
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	N.A.
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	No, in our opinion and according to information and explanation given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions should be stated; If an order has been passed by Company Law Board or National Company Law	No, the company has not accepted any deposits from public.

	Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not"	
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	No, In our opinion and according to information and explanation given to us the central government has not prescribed the maintained of cost records for any of the product manufactured/services rendered by the company.
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	In our opinion and according to information and explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities <i>except for delay in the payment of Income Tax amounting to Rs 56,323/-ranging between 1 to 179 days.</i> In our opinion and according to information and explanation given to us there are no undisputed amount payable in respect of sales tax, custom duty, wealth tax, service tax, excise duty and cess as at 31 March 2018 for a period of more than 6 month, from the date they became payable <i>except for the Income tax amounting to Rs 2,05,950/-.</i>
	(b) In case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.(A mere representation to the concerned Department shall not constitute a dispute).	In our opinion and according to information and explanation given to us, the dues <b>mention in annexure I</b> regarding to sales tax have not been deposited with the appropriate authorities on account of disputes.
(viii)	Whether the company has defaulted in repayment of loans and borrowings to a financial institution, bank, Government or dues to debenture holders" If yes, the period and amount of default to be reported (in case of defaults to bank, financial institutions and Government lender wise details to be provided).	No, In our opinion and according to information and explanation given to us. The company did not have any outstanding dues to any financial institution, banks, Government or debenture-holders during the year.
(ix)	Whether money raised by way of initial public offer or further public offer (including debt instruments) and term loan were applied for the purpose for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported.	In our opinion and according to information and explanation given to us, no money raised by way of initial public offer and no term loan were applied and taken during the year under audit.
(x)	Whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act" If not, state the amount involved and steps taken by the company for securing refund of the same.	In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid by the company to its managerial person during the period covered under audit.
(xii)	Whether the Nidhi Company has completed with the Net Owned Fund in the ratio of 1:20 to meet out liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.	N.A.
(xiii)	Whether all transactions with the related parties are in compliance with Section 177 and 188 of companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the accounting standards.	In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and if so, as to whether the requirement of Section 42 of the Companies act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance.	In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of section 192 of companies Act, 2013 have been complied with.	In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India, 1934 and if so, whether the registration has been obtained.	N.A.

For Kala Jain & Co.  
Chartered Accountants  
FRN: 127886W

Place: Mumbai

Date:30-05-2018

Sd/-  
Suparsh Kala  
Partner  
M.N.114419

## Annexure I

Name of the statute	Nature of the dues	Amount in ('000')	Period to which the amount relates	Forum where the dispute is pending
Works Contract Tax under Kerala General Sales Tax Act, 1963	Differential rate of tax	2,768	1987-1988 to 1993-1994	Commercial Tax officer, Ernakulam
Works Contract Tax under Kerala General Sales Tax Act	Differential rate of tax	34	1997-98	Commercial Tax officer, Ernakulam
Works Contract Tax under Kerala General Sales Tax Act	Differential rate of tax	74	1998-99	Commercial Tax officer, Ernakulam
Central sales Tax 1956	Non submission of E-1 form	500	1998-99 to 2002-03	Commercial Tax office Kolkata
West Bengal sales Tax Act 1994	Non submission of E-1 form	125	1998-99 to 2002-03	Commercial Tax officer, Kolkata
Works contract tax under UP Trade tax Act 1948	Chargeable of state sales tax	3,932	1987-1988 to 1997-98	Deputy commissioner UP Trade Tax tribunal Lucknow

## Balance Sheet as on 31st March 2018

Particulars	Notes	As at 31-March-2018	As at 31-March-2017
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment		-	-
(b) Investment Property		-	-
(c) Goodwill		-	-
(d) Other Intangible Assets	(6)	857	857
(e) Financial assets			
(i) Investments	(7)	5,000	5,000
(ii) Loans	(7)	317,174	317,174
(f) Deferred tax assets	(8)	-	-
(g) Other assets	(9)	-	-
<b>Total non-current assets</b>		<b>323,031</b>	<b>323,031</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Investments	(7)	-	-
(ii) Trade Receivables	(10)	-	-
(iii) Cash and cash equivalents	(11)	97,225	167,569
(iii) Bank Balances, other than (iii) above	(11)	-	-
(iv) loans	(12)	-	-
(b) Current tax assets		-	-
<b>Total current assets</b>		<b>97,225</b>	<b>167,569</b>
<b>TOTAL ASSETS</b>		<b>420,256</b>	<b>490,599</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	(13)	1,701,320	1,701,320
(b) Other equity		(6,394,641)	(5,154,740)
<b>TOTAL EQUITY</b>		<b>(4,693,321)</b>	<b>(3,453,420)</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables	(14)	-	-
(ii) Other financial liabilities	(15)	-	-
(c) Other non-current liabilities	(16)	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	(14)	1,231,050	1,156,171
(ii) Other financial liabilities	(15)	3,600,576	2,525,576
(c) Other current liabilities	(16)	281,951	262,273
<b>Total current liabilities</b>		<b>5,113,577</b>	<b>3,944,020</b>
<b>TOTAL LIABILITIES</b>		<b>5,113,577</b>	<b>3,944,020</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>420,256</b>	<b>490,600</b>

See accompanying notes to the financial statements

As per our report of even date

For Kala Jain & Co.

Firm Registration No : 127886W

(Chartered Accountants)

Sd/-

Suparsh Kala

Partner

Membership No : 114419

Place: Mumbai

Dated: 30th May, 2018

For and on behalf of Board of Directors of  
MPF Systems Limited

Sd/-

Kirti M. Salvi

Director

DIN - 07141300

Sd/-

Aakesh S. Chopra

Director

DIN - 01059470

## Statement of profit and loss for the year ended 31st March 2018

Particulars	Notes	Amount in Rs.	
		For the year ended 31 March 2018	For the year ended 31 March 2017
<b>INCOME</b>			
Revenue from operations	(17)	-	-
Other income	(18)	24,425	-
<b>Total income</b>		<b>24,425</b>	<b>-</b>
<b>EXPENSES</b>			
Cost of materials consumed		-	-
Purchase of stock-in-trade		-	-
Changes in Inventory		-	-
Excise Duty		-	-
Employee Benefit Expenses		-	-
Depreciation & Amortisation Expenses		-	1,391
Finance costs	(19)	3,625	561
Other Expenses	(20)	1,260,701	1,655,080
<b>Total Expenses</b>		<b>1,264,326</b>	<b>1,657,032</b>
<b>Profit/ (loss) before tax</b>		<b>(1,239,901)</b>	<b>(1,657,032)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Short provision of earlier year taxes		-	-
(3) Deferred tax		-	-
<b>Profit/ (loss) for the year after tax</b>		<b>(1,239,901)</b>	<b>(1,657,032)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,239,901)</b>	<b>(1,657,032)</b>

See accompanying notes to the financial statements

As per our report of even date

**For Kala Jain & Co.**

Firm Registration No : 127886W

(Chartered Accountants)

Sd/-

Suparsh Kala

Partner

**Membership No : 114419**

Place: Mumbai

Dated: 30th May, 2018

**For and on behalf of Board of Directors of  
MPF Systems Limited**

Sd/-

Kirti M. Salvi

Director

**DIN - 07141300**

Sd/-

Aakesh S. Chopra

Director

**DIN - 01059470**

## Statement of Cash Flow for the year ended 31st March 2018

Amount in Rs.

Particulars	As at 31-March-2018	As at 31-March-2017
<b>Cash flow from/(used in) operating activities</b>		
Profit / (loss) before tax	(1,239,901)	(1,657,032)
<b>Adjustment for:</b>		
Depreciation and amortisation expenses	-	1,391
Interest income	-	-
<b>Movement in working capital:</b>		
(Increase)/decrease in non-current assests	-	(65,802)
(Increase)/decrease in trade receivables	-	-
Increase/(decrease) in trade payable	74,880	(262,640)
Increase/(decrease) in other financial liabilities	1,075,000	2,089,613
Increase/(decrease) in other liabilities	19,678	9,163
<b>Cash generated from/(used in) operations</b>	<b>(70,344)</b>	<b>114,693</b>
Income tax paid	-	-
<b>Cash generated from/(used in) operations</b>	<b>(70,344)</b>	<b>114,693</b>
<b>Cash flow from/(used in) investing activities</b>		
Loans given		-
Repayment of loan given	-	
Investment in fixed deposit	-	
Redemption of fixed deposit		-
Interest received	-	-
<b>Cash generated from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash generated from/(used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(70,344)</b>	<b>114,693</b>
Cash and cash equivalents at the beginning of the year	167,569	52,876
Cash and cash equivalents at the end of the year	97,225	167,569

**See accompanying notes to the financial statements**

As per our report of even date

**For Kala Jain & Co.**Firm Registration No : 127886W  
(Chartered Accountants)

Sd/-

Suparsh Kala

Partner

**Membership No : 114419**

Place: Mumbai

Dated: 30th May, 2018

**For and on behalf of Board of Directors of  
MPF Systems Limited**

Sd/-

Kirti M.Salvi

Director

**DIN - 07141300**

Sd/-

Aakesh S. Chopra

Director

**DIN - 01059470**



**MPF SYSTEMS LIMITED**  
**Statement of changes in equity for the year ended 31st March 2018**

Amount in Rs.

**A. Equity share capital**

Balance at the beginning of the reporting year	Number of shares	Value
<b>At 1 April 2017</b>	170,132	1,701,320
Issue of share capital	-	-
<b>At 31 March 2018</b>	170,132	1,701,320

**B. Other equity**

Particulars	Reserves and surplus			Total
	Securities Premium	General Reserves	Surplus/(Deficit) in the Statement of Profit & Loss	
<b>At 1 April 2016</b>	-	-	(3,497,708)	(3,497,708)
Ind AS remeasurement			-	-
Provision for Doubtful Debts			-	-
Loss on movement in Inventories w/b			-	-
Reversal of movement in Inventories, Reclassified to current Investment			-	-
<b>At 1 April 2016</b>	-	-	(3,497,708)	(3,497,708)
Profit/(loss) for the year 2016-17			(1,657,032)	(1,657,032)
Other comprehensive income for the year			-	-
<b>At 31 March 2017</b>	-	-	(5,154,740)	(5,154,740)
Profit/(loss) for the year 2017-18			(1,239,901)	(1,239,901)
Other comprehensive income for the year			-	-
<b>At 31 March 2018</b>	-	-	<b>(6,394,641)</b>	<b>(6,394,641)</b>

**MPF SYSTEMS LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2018**

**Note 1 : Corporate Information**

MPF Systems Limited (previously known as Mather and Platt Fire Systems Limited) was formed as a result of a demerger of Mather and Platt (India) Limited on 18 April 2001. Consequently the business of fire systems was transferred to the Company. Pursuant to the Share Purchase Agreement dated July 01, 2014, the Company has taken on record the transfer of 1,887,697 equity shares of Rs. 10 each held by Wilo Se (the erstwhile holding company), representing 55.48% of the issued, subscribed and paid-up equity share capital of the Company, to Royal Nirman Private Limited; resulting in change of control in the Company. The Company is primarily engaged in the business of design, development, installation and servicing of Fire Securities systems. The Company has its corporate office at Chinchwad (E), Pune. Currently there are no commercial operations carried out by the Company.

**Note 2 : Going concern**

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

The Company has incurred loss during the year amounting to Rs 12,39,901/- and the total accumulated losses (after giving capital reduction effect Refer note 24) at that date to Rs 63,94,642/- indicate a complete erosion in the company's net worth as of 31st March, 2018. However management believes that the company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future on the basis of financial support from the holding company, Royal Nirman Private Limited. The holding company has agreed to provide necessary financial support to meet the liabilities of the company till next year ended. In this regard, the company has received a letter dated 8th June, 2018, from the parent company confirming that they will provide the necessary financial support till the next financial year ended. Further as per the management, the company is entering in to a new business segment of supply of building and construction material in near foreseeable future.

On the basis of above, the going concern assumptions is appropriate and accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

**Note 3 : Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Note 3.1 : Basis of preparation****(i) Compliance with Ind AS**

The Company has adopted Ind AS for the financial year ending 31 March 2018, the transition date being 1 April 2016. The financial statements of the Company, including the comparative figures for the previous year have been prepared and presented in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015, as amended.

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities which have been measured at fair value. The financial statements are presented in Rs., except when otherwise indicated.

**Note 4 : Functional and presentation currency**

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the Company's presentation currency.

**Note 4.1 : First-time adoption of Ind AS**

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard some exception and exemption to this general requirement in specific cases. The application of relevant exception and exemption are,

**Note 4.2 : Exceptions to retrospective application of other Ind AS**

**4.2.01 Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

**4.2.02 Ind AS 109 Financial Instruments (Derecognition of previously recognised financial assets / financial liabilities):** An entity shall apply the derecognition requirements in Ind AS 109 in financial instruments prospectively for transactions occurring on or after the date of transition. The Company has applied the derecognition requirements prospectively.

**4.2.03 Ind AS 109-Financial Instruments (Classification and measurement financial assets ):** Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assests on the date of transition.

**Note 4.3 : Exemptions from retrospective application of Ind AS**

**4.3.01 Ind AS 32 Financial instruments presentation:** Ind AS 32 requires an entity to split a compound financial instruments at inception into separate liability and equity component. As per Ind AS 101, First time adoption of Ind AS, if the liability component is no longer outstanding at the date of transition to Ind AS, an entity need not separate the amount recognised in equity into retained earnings and issued equity.

**4.3.02 Ind AS 109-Financial Instruments:** AS 109 permits an entity to designate a financial liabilities and financial assets (meeting certain criteria) at fair value through profit or loss. A financial liability and financial

asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition. There are no financial assets or liabilities are specifically designated at FVTPL and hence, this exemption is not applicable.

#### **Note 4.4 : Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial Statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected."

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments  
Useful life of property, plant and equipment  
Provisions

#### **Note 5 : Summary of significant accounting policies**

##### **5.01 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Current Investments are valued at lower of it's cost or fair market value
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### **5.02 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or  
In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### **5.03 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

**Interest income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

**5.04 Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**5.05 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangible assets have a finite life and are subsequently carried at cost less any accumulated amortization and

accumulated impairment losses if any.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

<b>Amortisation methods and estimated useful lives Assets</b>	<b>Estimated useful life (Years)</b>
Enterprise resource planning software	5

Assets costing less than or equal to Rs. 5,000 are fully amortised pro-rata from date of acquisition.

### **5.06 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **5.07 Contingent liabilities**

A contingent liability is a 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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

### **5.08 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### **5.09 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **5.10 Employee benefits**

The Company recognises all remeasurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

### **5.11 Financial Instrument**

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. However, with respect to difference arises between the transaction price and the fair value of interest free loan taken from members, the Company has accounting policy choice to recognise this difference in the statement of profit and loss or treat it as equity (capital contribution).

The Company's financial liabilities include trade and other payables, loans and borrowings including other payables

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material and hence the Company is amortising the transaction cost in straight line basis over the tenure of the loan. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the transaction cost amortisation process.

This category generally applies to borrowings.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **5.12 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.



**5.13 Segment information**

The Company is primarily engaged in the business of design, development, installation and servicing of Fire Security Systems which is in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

**5.14 Earning per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

**Notes to the financial statements as at 31st March 2018**

		Amount in Rs.		
(6) Intangible Asset	<u>Patents</u>	<u>Software</u>	<u>Total</u>	
<b>Year ended 31 march 2017</b>				
<b>Gross carrying amount</b>				
Deemed cost as at 1st april 2016	-	17,142	17,142	
Additions	-	-	-	
Deletions	-	-	-	
<b>Closing Gross carrying amount</b>	-	<b>17,142</b>	<b>17,142</b>	
<b>Accumulated amortisation</b>				
Opening accumulated amortisation		14,894	14,894	
Amortisation charge for the year	-	1,391	1,391	
<b>Closing accumulated amortisation</b>	-	<b>16,285</b>	<b>16,285</b>	
Closing net carrying amount	-	<b>857</b>	<b>857</b>	
<b>Year ended 31 march 2018</b>				
<b>Gross carrying amount</b>				
Deemed cost as at 1st april 2017	-	17,142	17,142	
Additions	-	-	-	
Deletions	-	-	-	
<b>Closing Gross carrying amount</b>	-	<b>17,142</b>	<b>17,142</b>	
<b>Accumulated amortisation</b>				
Opening accumulated amortisation	-	16,285	16,285	
Amortisation charge for the year	-	-	-	
<b>Closing accumulated amortisation</b>	-	<b>16,285</b>	<b>16,285</b>	
Closing net carrying amount	-	<b>857</b>	<b>857</b>	

## Notes to the financial statements as at 31st March 2018

## (7) Investments

## (7.1) Non current

Particulars	As at 31-March-2018	As at 31-March-2017
<b>Investment in Government securities</b>		
6 Year National Savings Certificates (Lodged with Karnataka Sales Tax department as security deposit )	5,000	5,000
	<b>5,000</b>	<b>5,000</b>

## Market value of quoted investment

## Current

Particulars	As at 31-March-2018	As at 31-March-2017
<b>Investment in Equity Shares</b>		
Fully paid up, Quoted	-	-
	-	-

## (7.2) Long Term Loans and Advances

Particulars	As at 31-March-2018	As at 31-March-2017
Advance Taxes and Tax Deducted At Source	251,372	251,372
Advance From others	65,802	65,802
	<b>317,174</b>	<b>317,174</b>

## (8) Deferred Tax Asset

Particulars	As at 31-March-2018	As at 31-March-2017
Difference arising on account of depreciation	-	-
	-	-

## (9) Other assets

## Non current

Particulars	As at 31-March-2018	As at 31-March-2017
Deposits with stock exchanges	-	-
	-	-

## Notes to the financial statements as at 31st March 2018

## (10) Trade Receivables

## Current

Particulars	As at 31-March-2018	As at 31-March-2017
Secured, considered good		
Receivable from Associate Company	-	-
Others	-	-
Unsecured, considered good		
Receivable from Associate Company	-	-
Others	59,766,310	59,766,310
	59,766,310	59,766,310
Less: Provision for doubtful Debt	59,766,310	59,766,310
	-	-

## (11) Cash and bank balances

Particulars	As at 31-March-2018	As at 31-March-2017
<b>Cash and cash equivalents</b>		
Cash on hand	62	7,762
Balances with banks		
In current accounts	97,163	159,807
	<b>97,225</b>	<b>167,569</b>
<b>Other bank balances</b>		
Fixed deposit	-	-
	<b>97,225</b>	<b>167,569</b>

## (12) Loans

## Current

Particulars	As at 31-March-2018	As at 31-March-2017
Unsecured, considered good		
Advance recoverable in cash or kind	-	-
Advance BSE (Revocation Fees)	-	-
Advance to employees	-	-
Security deposits	-	-
	-	-

**MPF SYSTEMS LIMITED**  
**Notes to the financial statements as at 31st March 2018**

**(13) Equity share capital**

Particulars	Numbers of shares	As at 31-March-2018	As at 31-March-2017
Equity shares of Rs.10 each	5,000,000	50,000,000	50,000,000
		<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and paid-up:</b>			
Equity shares of Rs.10 each par value	170,132	1,701,320	1,701,320
		<b>1,701,320</b>	<b>1,701,320</b>

**Rights, preferences and restrictions attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity share(s) is entitled to one vote per share. The final dividend, if any, proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**Details of shareholders holding more than 5% equity shares in the Company on reporting date**

Name of the shareholders	Numbers of shares	Percentage of shareholding as at 31-March-2018	Percentage of shareholding as at 31-March-2017
Royal Nirman Private Limited	94,458	55.52%	55.52%

**The reconciliation of the number of shares outstanding on reporting date**

Particulars	As at 31-March-2018	As at * 31-March-2017
Shares at the beginning of the year	170,132	170,132
Add : Shares issued during the year	-	-
Shares at the end of the year	<b>170,132</b>	<b>170,132</b>

\* The financial statement signed on 20th May,2017 was without giving effect of reduction of share capital as the matter was pending before the National Company Law Tribunal (NCLT) for approval. The Board of directors vide Board resolution dated 10th July, 2017 has approved the reopening and recasting of the financial statement of the company for the F.Y. 2015-16 & F.Y. 2016-17 to give the effect of the order passed by NCLT on 30.06.2017 for reduction of share capital of the company . Thereafter Board of Directors vide their letter dated 15.09.2017 has requested us to carryout the audit of the recasted financial statement as the appointed date was w.e.f. 01.04.2015 as per the scheme of reduction and hence the previous periods figures have been taken from audited recasted financial statement for the Financial periods 2015-16 & 2016-17.

## Notes to the financial statements as at 31st March 2018

## (14) Trade Payables

## Non current

Particulars	As at 31-March-2018	As at 31-March-2017
Total outstanding dues of micro and small enterprises		
Others	-	-
	-	-

## Current:

Particulars	As at 31-March-2018	As at 31-March-2017
Total outstanding dues of micro and small enterprises		
Others	1,231,050	1,156,171
	<b>1,231,050</b>	<b>1,156,171</b>

## (15) Other financial liabilities

## Non current

Particulars	As at 31-March-2018	As at 31-March-2017
Others	-	-
	-	-

## Current:

Particulars	As at 31-March-2018	As at 31-March-2017
<b>Short Term Borrowings</b>		
<b>Loans From Directors*</b>		
Kirti M.Salvi	2,295,576	1,995,576
Anil Mansukhlal Kothari	15,000	15,000
Aakesh Suresh Chopra	1,290,000	515,000
	<b>3,600,576</b>	<b>2,525,576</b>

\*No repayment schedule is stipulated for loans from Directors. In the opinion of management the loans are repayable on demand.

## (16) Other liabilities

## Non-Current:

Particulars	As at 31-March-2018	As at 31-March-2017
Others	-	-
	-	-

## Current:

Particulars	As at 31-March-2018	As at 31-March-2017
Tax Deducted at Source	281,951	262,273
	<b>281,951</b>	<b>262,273</b>

## Notes to the financial statements as at 31 March 2018

## (17) Revenue from Operations

Amount in Rs.

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
Other Operating Revenue	-	-
Provision for doubtful debts written back	-	-
	-	-

## (18) Other income

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
Interest income	-	-
Discount Received	24,425	-
Miscellaneous income	-	-
	24,425	-

## (19) Finance costs

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
Bank charges	3,625	561
	3,625	561

## (20) Other expenses

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
Printing and stationary	11,839	5,670
Annual listing fees	287,500	229,000
Legal and professional charges	678,887	746,777
Auditors' remuneration	141,600	256,675
Advertisement & publication expenses	30,600	48,331
Filing fees and ROC	7,200	56,400
Miscellaneous expenses	24,934	66,488
Interest on taxes and others	1,540	2,485
E voting services	25,690	99,252
Processing charges & Annual custody fees	-	144,002
Capital reduction fees	50	-
GST	38,861	-
Directors sitting fees	12,000	-
	1,260,701	1,655,080

## Notes to the financial statements as at 31 March 2018

## (21) Contingent liability

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
a) Claims against the company not acknowledged as debts	3,778,847	3,778,847
b) Sales tax and works contract tax*	7,432,727	7,432,727
	11,211,574	11,211,574

\*Excluding Interest leviable, if any, on Conclusion of the matter

## (22) Income tax

The major components of income tax expense for the years are:

Particulars	Amount in Rs.	
	For the year ended 31-March-2018	For the year ended 31-March-2017
<b>Profit or loss section</b>		
<b>Income tax:</b>		
Current income tax charge	-	-
Adjustments in respect of short provision of income tax of previous year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	-	-

The current tax has not been provided as the company has been incurring losses as per tax.

Deferred tax assets has been reversed in respect of depreciation arising due to timing differences.

## (23) Earning per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31-March-2018	For the year ended 31-March-2017
Profit attributable to equity holders of the parent for basic earnings	(1,239,901)	(1,657,032)
Weighted average number of equity shares for basic EPS*	170132	170132
Weighted average number of equity shares	170132	170132
Face value per share adjusted for the effect of dilution*	10	10
Basic earning per share	(7.29)	(9.74)
Diluted earning per share	(7.29)	(9.74)

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

## (24) Reduction of Share Capital

Board of Directors have decided to reduce the share capital and passed resolution regarding reduction of Share Capital of the company in their meeting held on dated 11/02/2016. As per the reduction of share capital scheme;

The accumulated losses of Rs 32,325,150/- (Rupees Three Crores Twenty Three Lakhs Twenty Five Thousand One Hundred & Forty Six Only) of the company out of the total accumulated losses of Rs 34,542,585/- (Rupees Three Crores Forty Five Lakhs Forty Two Thousand Five Hundred & Eighty Five Only) as on 31st December, 2014 to be set off against the paid up capital of Rs 34,026,470/- (Rupees Three Crores Forty Lakhs Twenty Six Thousand Four Hundred & Seventy).

The Subscribed and Fully Paid up share capital of the company shall stand reduced from Rs 34,026,470/- (Rupees Three Crores Forty Lakhs Twenty Six Thousand Four Hundred & Seventy) divided in to 3,402,647/- (Thirty Four Lakhs Two Thousand Six Hundred & Forty Seven) fully paid up equity shares of Rs 10/- to Rs 1,701,320/- (Seventeen Lakhs One Thousand Three Hundred & Twenty) divided in to 170,132 (One Lakh Seventy Thousand One Hundred & Thirty Two) equity share of Rs 10/- each ;

The National Company Law Tribunal (NCLT) vide its order dated 30th June 2017 has approved the scheme of reduction of capital on account of which the equity share capital of the company stands reduced from 34,02,647 equity shares of Rs 10/- each aggregating Rs 3,40,26,470/- to 1,70,132 equity shares of Rs 10/- each aggregating 17,01,320/-.

**Notes to the financial statements as at 31 March 2018**

Accordingly an amount of Rs 3,23,25,150/- has been reduced from the equity share capital by adjusting off the accumulated losses of the company. The effect of the above is given in the financial statement since the appointed date of scheme of reduction was 1st April 2015. The Board of directors vide Board resolution dated 10th July, 2017 has approved the reopening and recasting of the financial statement of the company for the F.Y. 2016-17 to give the effect of order passed by NCLT on 30.06.2017 for reduction of share capital of the company. Further Board of Directors vide their letter dated 15.09.2017 has requested us to carry out the audit of the recasted financial statement as the appointed date was w.e.f. 01.04.2015 as per the scheme of reduction and hence we are giving the audited recasted financial statement for the financial year 2016.17.

**(25) Going Concern**

The Company has incurred loss during the year amounting to Rs 12,39,901/- and the total accumulated losses (after giving capital reduction effect Refer note 17.13) at that date to Rs 63,94,642/- indicate a complete erosion in the company's net worth as of 31st March, 2018. However management believes that the company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future on the basis of financial support from the holding company, Royal Nirman Private Limited. The holding company has agreed to provide necessary financial support to meet the liabilities of the company till next year ended. In this regard, the company has received a letter dated 15 April, 2017, from the parent company confirming that they will provide the necessary financial support till the next financial year ended. Further as per the management, the company is entering in to a new business segment of supply of building and construction material in near foreseeable future.

On the basis of above, the going concern assumptions is appropriate and accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

**(26) Related party relationships and transactions**

Ind AS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) a person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply; (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity.(iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.(vi) The entity is controlled or jointly controlled by a person identified in (a).(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**A Related Parties****a Holding Company**

Royal Nirman Private Limited

**b Other related parties****Key Management Personnel**

Name of Related Party	Relationship
Kirti Mahadev Salvi	Director
Anil Mansukhlal Kothari	Director
Aakesh Suresh Chopra	Director
Ambrish Barsati Pal	Chief Financial officer (CFO)

**Transactions during the year with related parties**

Name of the Party	Nature of Transactions	For the year ended 31-March-2018	For the year ended 31-March-2017
Kirti M.Salvi	Loan Taken	300,000	1,559,613
Aakesh Suresh Chopra	Loan Taken	775,000	1,015,000
Anil Mansukhlal Kothari	Loan Taken	-	15,000

**Balance outstanding of related parties**

Name of the Party	Receivable / (Payable)	As at 3/31/2018	As at 3/31/2017
Kirti M.Salvi	Receivable / (Payable)	22,95,576	1,995,576
Aakesh Suresh Chopra	Receivable / (Payable)	12,90,000	515,000
Anil Mansukhlal Kothari	Receivable / (Payable)	15,000	15,000



## Notes to the financial statements as at 31 March 2018

**(27) First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2018 and 31 March 2017 are prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 and March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**A. Reconciliation of equity**

Particulars	Amount in Rs.	
	As at 31-March-2017	As at 1-April-2016
<b>As reported under IGAAP</b>		
Equity capital	1,701,320	1,701,320
Reserves	(5,154,740)	(3,497,708)
	<b>(3,453,420)</b>	<b>(1,796,388)</b>
Adjustments:		
Provision for Doubtful Debts w/b / (w/off)	-	-
Loss on movement in Inventories w/b	-	-
Reversal of movement in Inventories, Reclassified to current Investment	-	-
	-	-
	-	-
<b>Equity under Ind AS</b>	<b>(3,453,420)</b>	<b>(1,796,388)</b>
Comprises of:		
Equity capital	1,701,320	1,701,320
Other equity	(5,154,740)	(3,497,708)
	<b>(3,453,420)</b>	<b>(1,796,388)</b>

**B. Reconciliation of profit and loss for the year ended 31 March 2017**

Particulars	For the year ended 31-March-2017
<b>Profit / (loss) as reported under GAAP</b>	(1,657,032)
Adjustments:	
Provision for Doubtful Debts w/b	-
	-
<b>Profit / (loss) as per Ind AS</b>	<b>(1,657,032)</b>

**C. Reconciliation of cash flows for the year ended March 31, 2017**

The transition from erstwhile Indian GAAP to Ind AS has not made a material impact on the statement of cash flows.

**(28) Events after the end of the reporting year**

No subsequent event has been observed which may required an adjustment to the statement of financial position.

As per our report of even date

**For Kala Jain & Co.**

Firm Registration No : 127886W  
(Chartered Accountants)

Sd/-

Suparsh Kala  
Partner

**Membership No : 114419**

**For and on behalf of Board of Directors of Sanchay Fivest Limited**

Sd/-

Kirti M.Salvi  
Director

**DIN - 07141300**

Sd/-

Aakesh S. Chopra  
Director

**DIN - 01059470**

Place: Mumbai

Dated: 30.05.2018

**MPF SYSTEMS LIMITED**

**CIN: L65999MH1993PLC287894**

**Regd. Office: 108, PRIME PLAZA, J.B. COMPOUND, ELPHINSTONE MUMBAI-400 013.**

**ATTENDANCE SLIP**

**25<sup>th</sup> ANNUAL GENERAL MEETING 2017-2018**

I hereby record my presence at the **25<sup>th</sup> Annual General Meeting** of the Company to be held on **Saturday, 29<sup>th</sup> September, 2018** at Plot no. 108, Prim Plaza, J.V. Compound, B.M. Road, Elphinstone (w), Mumbai – 400013., at 11.30 A.M.

Name of the Member: \_\_\_\_\_

Folio/Client ID No.: \_\_\_\_\_

Name of the Proxy/ Representative(inBlockLetters)

(To be filled in if the Proxy/Representative attends

Instead of the Member) \_\_\_\_\_

Signature of the Member or Proxy/Representative: \_\_\_\_\_

**MPF SYSTEMS LIMITED**

**CIN: L65999MH1993PLC287894**

**Regd. Office: 108 prime plaza, J.B. Compound, Elphistone Road, Mumbai- 400 013.**

**PROXY FORM**

[Pursuant to this Section 105(6) of the Companies Act, 2013 and rule19(3) of the Companies (Management and Administration)Rules, 2014]

**25<sup>th</sup> ANNUAL GENERAL MEETING 2017-2018**

**Name of the Company:** MPF Systems Limited

**Registered office:** 108 prime plaza, J.B. Compound, Elphistone Road, and Mumbai- 400 013.

**Name of the Member(s):** \_\_\_\_\_

**Registered Address:** \_\_\_\_\_

**Email-Id:** \_\_\_\_\_

**Folio No./Client ID:** \_\_\_\_\_ **DP ID:** \_\_\_\_\_

**I/We, being the member (s) holding \_\_ shares of the above named company, hereby appoint**

1. **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail Id:** \_\_\_\_\_

**Signature:** \_\_\_\_\_, or failing him/ her

2. **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail Id:** \_\_\_\_\_

**Signature:** \_\_\_\_\_, or failing him/ her

3. **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail Id:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

As my/ our proxy to attendant vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of MPF Systems Limited to be held on 29<sup>th</sup> day of September, 2018 at 11.30 a.m. at 108, Prime Plaza, J.B. Compound Elphinstone Road Mumbai-400 0013 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1)	To consider and adopt the Audited Standalone & Consolidated Financial Statement for the financial year ended 31 <sup>st</sup> March, 2018			
2)	To appoint Auditors and fix their remuneration			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

<b>Affix Revenue Stamp</b>
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**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.

**Registered Post/Courier**

**If Undelivered please return to:**  
**MPF Systems Limited**  
**Registered Office**  
108, Prime Plaza,  
J. B. Compound,  
Elphinstone,  
Mumbai-400 013.