

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

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

**43 ANNUAL REPORT**  
**FINANCIAL YEAR 2015-2016**  
**ENDED 31 MARCH 2016**

**REGISTERED OFFICE**

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



# MMP INDUSTRIES LIMITED

(Formerly Maharashtra Metal Powders Ltd)

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

## ::: NOTICE :::

NOTICE IS HEREBY GIVEN THAT THE 43<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF MMP INDUSTRIES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER, 30, 2016 AT 1:00 P.M, AT THE REGISTERED OFFICE OF THE COMPANY AT 211 SHRIMOHINI, 345, KINGSWAY, NAGPUR 440001 MAHARASHTRA TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESSES:

1. To receive consider and adopt the Profit and Loss Account for the period ended on 31/03/2016 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Madan Mohan Agrawal (Holding DIN: 02281318), who retires by rotation and is eligible for re-appointment.
3. To ratify the appointment of M/s N.S.Rathore & Co., (Firm Registration No. 012414C), Chartered Accountants, as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM and to fix their remuneration

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the audit committee, the remuneration payable during the year 2017 to M/s. KHANUJA PATRA & ASSOCIATES (Firm Registration No. 00214), Practicing Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ended 2017, amounting to Rs. 30,000/- and also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board.

Registered Office:

211 SHRIMOHINI, 345, KINGSWAY,  
NAGPUR 440001 MAHARASHTRA

Date: 18/08/2016

Place : Nagpur

(ARUN RAGHUVIR RAJ BHANDARI)  
MANAGING DIRECTOR



## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A proxy form is enclosed. Proxies in order to be effective must be received at the company's registered office not less than 48 hours before the meeting.
3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
4. Please bring your copy of Annual Report at the meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE ITEMS OF SPECIAL BUSINESS:

#### Item No. 4:

The Board, on the recommendations of the Audit Committee, has approved the appointments and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31/03/2017 as per the following details:-

| Sr. No. | Name of the Unit   | Name & Address of the Cost Auditor   | Year       | Audit Fees (In Rs.) |
|---------|--|--|------------|---------------------|
| 1.      | 1)Aluminium & Aluminium Product<br>2)Magnese Oxide/Dioxide | M/s. KHANUJA PATRA & ASSOCIATES<br>4 <sup>th</sup> Floor Golden Palace,<br>W.H.C. Road, Dharampeth,<br>Nagpur - 440010 | 31/03/2017 | 30,000/-*           |

\* with the payment of service tax as applicable and re-imbursement of out of pocket expenses

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors needs to be ratified by the Shareholders of the Company.

Accordingly, approval of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors to conduct audit of the cost records of the Company for the financial Year ending 31/03/2017 . Relevant documents referred in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

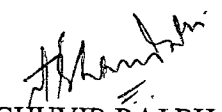
None of the Directors of the Company or their relatives are, in any way, concerned or interested in the resolution.

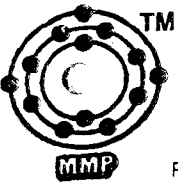
The Board recommends the Ordinary Resolution as set out at item no. 4 for approval by the shareholders.

Registered Office:  
211 SHRIMOHINI, 345, KINGSWAY,  
NAGPUR 440001 MAHARASHTRA

Date: 18/08/2016

By order of the Board.

  
(ARUN RAGHUVIR RAJ BHANDARI)  
MANAGING DIRECTOR



# MMP INDUSTRIES LIMITED

(Formerly Maharashtra Metal Powders Ltd)

CORRESPONDENCE ADDRESS : B-24, MIDC AREA, HINGNA ROAD, NAGPUR - 440 016

PH : 07104 - 668000, FAX : 07104 - 668032, Email : sales@mmpil.com, Web : www.mmpil.com, CIN : U32300MH1973PLC030813

Date:30/09/2016

To,  
M/s. N.S. RATHORE & CO.  
Chartered Accountants,  
JAIPUR

Dear Sirs,

**Sub: Ratification of appointment of Auditors**

We are pleased to inform you that your appointment as Auditor(s) has been ratified in the 42ND Annual General Meeting of the Company held on 30/09/2016. We hereunder furnish a true copy of the resolution for your reference and record:

**Ratification of appointment of Auditors:**  
Ordinary Resolution

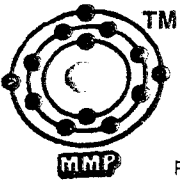
"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s N.S. RATHORE & CO., Chartered Accountants, (Firm Registration No.012414C), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM and that their remuneration be fixed by the Board of directors in consultation with them."

Thanking You,

Yours faithfully,

For MMP INDUSTRIES LIMITED

(ARUN RAGHUVIR RAJ BHANDARI)  
MANAGING DIRECTOR



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Extracts of the meeting of the Board of Directors of the Company held on 18/08/2016.

## DECLARATIONS PURSUANT TO SECTION 164(2):

The declarations received from the following directors who were Directors as on 31/03/2016 were placed before the Board:

| Name of Director           | Designation         |
|----------------------------|---------------------|
| Shri Arun Bhandari         | Managing Director   |
| Shri Lalit Bhandari        | Whole Time Director |
| Shri Madan Mohan Agrawal   | Whole Time Director |
| Shri Hement Jahagirdar     | Director            |
| Shri Karan Varma           | Director            |
| Shri Ajay Sadashiv Gokhale | Director            |

The Board noted that the said directors have declared that they are not disqualified pursuant to section 164(2) of the Companies Act, 2013.

Certified to be true copy

For MMP INDUSTRIES LIMITED

  
(ARUN RAGHUVIR RAJ BHANDARI)  
MANAGING DIRECTOR



## MMP INDUSTRIES LIMITED

CIN: U32300MH1973PLC030813

Regd. Office: 211-SHRIMOHINI,345-KINGSWAY,NAGPUR  
Tel: 0712-2533585; Fax: 0712-2530461; Email: [sharadk@mmpil.com](mailto:sharadk@mmpil.com) ;  
Web : [www.mmpil.com](http://www.mmpil.com)

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 43<sup>rd</sup> Annual Report together with the Audited statement of accounts for the year ended 31/03/2016.

#### FINANCIAL RESULTS:

The Financial results of the Company as disclosed in the accounts are summarized below:

| Parameter   | (₹ in lacs) |          |              |          |
|---|-------------|----------|--------------|----------|
|   | Standalone  |          | Consolidated |          |
|   | 2015-16     | 2014-15  | 2015-16      | 2014-15  |
| Revenue from Operation ( Net)                                     | 18056.89    | 15740.97 | 18056.89     | 15740.97 |
| Add : Other Income  | 63.85       | 23.56    | 63.85        | 23.56    |
| Total Revenue   | 18120.75    | 15764.53 | 18120.75     | 15764.53 |
| Profit before Interest,Tax,Depreciation and Amortization (EBITDA) | 2019.29     | 1366.60  | 2019.29      | 1366.60  |
| Less : Depreciation & Amortization Expenses                       | 161.69      | 150.98   | 161.69       | 150.98   |
| Less :Financial Cost  | 662.49      | 604.50   | 662.49       | 604.50   |
| Less : Exceptional Item   | -           | -        | -            | -        |
| Profit Before Tax (PBT)   | 1195.11     | 611.12   | 1195.11      | 611.12   |
| Less : Tax Provision  | 380.16      | 223.79   | 380.16       | 223.79   |
| Profit after Tax for the Year                                     | 814.95      | 387.33   | 814.95       | 387.33   |
| Add : Share of Profit from Associates                             |             |          | 109.19       |          |
| Net Profit for the Year   | 814.95      | 387.33   | 924.14       | 387.33   |
| Total amount available for appropriation                          | 1897.49     | 1082.55  | 2006.68      | 1082.55  |
| Less : Appropriation  | -           | -        | -            | -        |
| Less : Amount transferred to General Reserve                      | -           | -        | -            | -        |
| Surplus carried to Balance Sheet                                  | 1897.49     | 1082.55  | 2006.68      | 1082.55  |
| earning per Share (EPS in ₹) (Face Value ₹ 10 each)               |             |          |              |          |
| Basic   | 9.83        | 4.67     | 11.15        | 4.67     |
| Diluted   | 9.83        | 4.67     | 11.15        | 4.67     |

## **RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:**

Your company has registered significant growth both in terms of revenue and earnings in the year under review. The Consolidated revenue of ₹ 18056.89 lacs in FY 16 is up by 14.71% compared to ₹ 15740.97 lacs in FY15. The operating profit (EBIDTA) at ₹ 2019.29 lacs in FY-16 is 47.76% higher than ₹ 1366.60 lacs in FY15. The net profit for the year has increased from ₹ 387.33 lacs to ₹ 814.94 lacs , an increase by 110.39% .

### **a) Aluminium Powder and Paste Division.**

The total revenue of this division at ₹.13951 Lacs is up by 4.49% compared to ₹.13352 Lacs in 2014-15. In spite of substantial quantity growth, revenue increased marginally because of reduction in aluminum metal prices. The segment result (EBIDT) at ₹.1705 lacs is up by 19.98% compared to ₹.1421 lacs in 2014-15. The margins of our products have risen because of better capacity utilization , better sales realization, better financial and cash flow management and optimization of input costs. There is a strong demand growth for your company's products especially aluminium powder used in the slurry explosives and AAC applications. The coming years are also expected to show consistent sales growth (domestic and export) of our products specially aluminium powders for the AAC Industry.

### **b) Aluminium Conductors Divisions:**

The Aluminium Conductor division sales over last year were higher by 60.57%. The margins of the products have also been increased substantially due to better capacity utilization and improved product pricing. Your company has received approvals from the MSEDCL/ MSETCL and others. The Aluminium conductors of various grades are well accepted in the market and with the capacity growth in infrastructural power sector investment with the new Govt. in place, this division is expected to add to the top line significantly in the coming years also. Your Company has increased the capacity to catch up the growing demand of the Aluminium Conductor in the coming year.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

## **FUTURE PLANS:**

### **Aluminium Paste**

Your company has begun implementation of a Greenfield production facility for making specialized aluminium pastes for the ever growing automotive pigments and other industrial applications. MMPIL has found a world renowned partner in Toyo Aluminium K.K. of Japan who are the leading aluminium paste company in the world in terms of capacity and market share. The new facility is expected to commence production during the second half of 2017. MMPIL will therefore be part of a Global company and will be deriving the benefits of growth , finest production and quality assurance experience and a Global market for its products also.

## **Aluminium Conductors**

The growth in demand of the power transmission conductors is likely to be very strong. Your company is looking at all issues carefully and may venture into aluminium alloy rod production to feed its conductor lines regularly, reduce costs of input raw material and reduce reliance on outsourcing of rods. A detailed feasibility is presently being carried out and a specific investment timeline will be fixed on the unfolding market scenario.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

No company has become/ceased to be a subsidiary, joint venture or associate during the financial year 2015-16.

The Company has two associated companies name 1) M/s Star Circlips & Engineering Ltd and 2) M/s Mayank Fasteners Pvt.Ltd. which is mainly engaged in the Manufacturing business and property rental activity respectively. The associated company M/s Star Circlips & Engineering Ltd. is performing well and has achieved sales of ₹.7432.67 lakhs during the current financial year against ₹ 7361.03 lakhs during the previous financial year and other associated company M/s Mayank Fasteners Pvt.Ltd. has the stable line of revenue as compare to previous year. However, a statement in AOC-1 containing details of the Associate Company is attached herewith as **Annexure-1.**

## **TRANSFER TO RESERVE**

The Directors do not propose to transfer any amount to the General Reserve of the Company.

## **DIVIDEND:**

Your company proposes to retain all earnings for growth of the business. As stated above, your company is also planning to invest in the JV with Toyo Aluminium K.K. of Japan.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3)(c) of the Companies Act, 2016 the Board of Directors of the Company confirms:

- a. in the preparation of annual accounts, the applicable accounting standard have been followed along with proper explanation relating to material departures except that the liability for gratuity and bonus has not been provided for, which is accounted for on cash basis.
- b. The director have selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31/03/2016 and of the profit of the Company for the period ended on that date;

- c. the director have taken proper and sufficient care has been taken 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.
- d. that the annual accounts have been prepared on a going concern basis.
- e. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of such contract or arrangements entered into by the Company with related parties are disclosed in Annexure – II

#### **RISK MANAGEMENT POLICY:**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

#### **INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

#### **DIRECTORS:**

##### **A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of the Act and the Articles of Association of the Company:

Shri Ajay Sadashiv Gokhale (00550452) and Shri Karan Yudhishtir Varma (06923525) were appointed Independent Directors of the Company at the Extra-ordinary general meeting held on 13/08/2015.

Shri M.M.Agrawal (02281318) was re-appointed for a period of 1 year as Whole-time Director of the Company at the board meeting held on 18/07/2015.

Shri M.M.Agrawal (02281318), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Except this there has been no change in the composition of the Board of Directors of the Company during the period under review.

**B) DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY:**

The Board of Director of the Company had appointed as Independent Director to Shri Ajay Gokhale and Shri Karan Varma with effective from 13/08/2015.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act..

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

**AUDITOR & AUDITOR'S REPORT:**

**STATUTORY AUDITORS:**

M/s N.S.Rathore & Co.,Jaipur, Chartered Accountants,(Registration No.-012414C),had been appointed as Statutory Auditors of your Company, for a period of three years from FY15 to FY17 at the Annual General Meeting held on August 2,2014.However,as per the first proviso of Section 139 (1) of the Companies Act,2013,the appointment of auditors has to be ratified by the members at every annual general meeting.

The Company has received a letter from the auditors confirming that they are eligible for re-appointment as auditors of the Company under section 139 of Companies Act, 2013 and meet the criteria for appointment specified in section 141 of the Companies Act,2016.

Based on the recommendation of the Audit Committee and as per provisions of Section 139(1),of the Companies Act,2013 the Board of Directors of your Company proposes to ratify the appointment M/s N.S.Rathore & Co., Jaipur, Chartered Accountants, as the Statutory Auditors of the Company for FY16.

Observations made in the Auditor's Report are self explanatory and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

#### **COST AUDITORS:**

M/s Deepak Khanuja & Associates, Cost Accountants, were appointed with the approval of the Board to carry out the cost audit. Based on the recommendation of the Audit Committee, M/s Deepak Khanuja & Associates, Cost Accountants being eligible, have also been appointed by the Board as the Cost Auditors for FY16 subject to shareholder's approval. The Company has received a letter from them to the effect that their re-appointment would be with the limit prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

#### **DISCLOSURES:**

##### **CORPORATE SOCIAL RESPONSIBILITY**

The Particulars of the details about the Policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year are disclosed in **Annexure – III**.

#### **Audit Committee**

The Audit Committee comprises Directors namely Shri Hemaant Jahagirdar (Chairman), Shri M.M. Agrawal (Director) and Shri Karan Varma (Independent Director) as other members. All the recommendations made by the Audit Committee were accepted by the Board.

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

Nomination and Remuneration Committee comprises Directors namely Shri Lalit Bhandari (Chairman), Shri Karan Varma (Independent Director) and Shri Ajay Gokhale (Independent Director) as other members.

The powers, role and terms of reference of the Committee cover the areas as contemplated under Section 178 of the Companies Act 2013, besides other terms as may be referred by the Board Of Directors. The Role includes :

- Formulation of criteria for determining qualifications positive attributes and independence of a Director.
- Recommending to the Board a remuneration policy for Directors, Key Managerial Personnel and Senior Management.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy of Board diversity.

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Committee meets as per needs.

#### **Vigil Mechanism**

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

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

10 numbers of meetings of the Board of Directors were held during the year.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure - IV** to this Report.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure – V** to the Board's report.

#### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

5. Details in respect of frauds reported by Auditors under sub-section (12) of section 143 other than those which are reportable to Central Government.

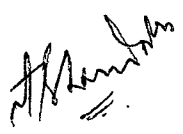
Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENTS:**

Your Directors would like to record their appreciation to all the members, Bankers and well-wishers for their commitments, dedication and Co-operation. Your Directors also express their gratitude to all other persons or institutions directly and indirectly associated with the Company.

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

**Place: Nagpur**  
**Date: 23/08/2016**

  
**Arun Bhandari**  
**(Managing Director)**

  
**Lalit Bhandari**  
**(Director)**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

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

| Sl. No. | Particulars   | Details |
|---------|---|---------|
| 1.      | Name of the subsidiary  | N.A.    |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | N.A.    |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A.    |
| 4.      | Share capital   | N.A.    |
| 5.      | Reserves & surplus  | N.A.    |
| 6.      | Total assets  | N.A.    |
| 7.      | Total Liabilities   | N.A.    |
| 8.      | Investments   | N.A.    |
| 9.      | Turnover  | N.A.    |
| 10.     | Profit before taxation  | N.A.    |
| 11.     | Provision for taxation  | N.A.    |
| 12.     | Profit after taxation   | N.A.    |
| 13.     | Proposed Dividend   | N.A.    |
| 14.     | % of shareholding   | N.A.    |

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

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

| Name of associates/Joint Ventures  | M/s Star Circlips & Engineering Ltd. | M/s Mayank Fastners Pvt Ltd. |
|--|--------------------------------------|------------------------------|
| 1. 1. Latest audited Balance Sheet Date  | 31-03-2016                           | 31-03-2016                   |
| 2. Shares of Associate/Joint Ventures held by the company on the year end        |                                      |                              |
| No.  | 998860                               | 13440                        |
| Amount of Investment in Associates/Joint Venture                                 | 9782890                              | 1344000                      |
| Extend of Holding%   | 26.06%                               | 26.97%                       |
| 3. Description of how there is significant influence                             | Holding above 20%                    | Holding above 20%            |
| 4. Reason why the associate/joint venture is not consolidated                    | -                                    | -                            |
| 5. 5. Net worth attributable to shareholding as per latest audited Balance Sheet | 243889605.80                         | 7073284.77                   |
| 6. Profit/Loss for the year  | 41873152.98                          | 25397                        |
| i. Considered in Consolidation   | 10912143.67                          | 6849.57                      |
| ii. Not Considered in Consolidation  |                                      |                              |

## ANNEXURE - II TO DIRECTORS' REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2015-16.

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

| Name(s) of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any:   | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|---|---|---|---|---|----------------------------------|
| (a)   | (b)   | (c)   | (d)   | (e)                                       | (f)                              |
| M/s Star Circlips & Engineering Ltd.                    | Job Work  | 1 Year  | The raw material supplied by M/s Star Circlips & Engineering Ltd. and the company will do the job work and made the finished goods Springs & Washer. For that the company is getting the job work charges . | 08.04.2015                                | --                               |
| M/s Mayank Fastners Pvt Ltd.                            | Rent  | 1 Year  | Registered Office Rented.   | 08.04.2015                                | -                                |
| Miss Rohini Bhandari                                    | Legal Advisor                                     | 3 Year  | Legal advisor of all MMPL Units.  | 31.05.2013                                | -                                |
| Mrs. Saroj Bhandari                                     | Employee  | 1 Year  | Salary  | 08.04.2015                                | -                                |
| Mrs. Sakshi Bhandari                                    | Employee  | 1 Year  | Salary  | 08.04.2015                                |                                  |

## ANNEXURE - III TO DIRECTORS' REPORT

### Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. A Brief outline of Company's CSR Policy

The Board of Directors of the Company in its meeting held on 10.06.2015 constituted the Corporate Social Responsibility (CSR) Committee consisting of the following officials to monitor implementation of CSR activities of the Company:

| Name | Designation |
|------|-------------|
|------|-------------|

|                     |            |
|---------------------|------------|
| Shri Arun Bhandari  | - Chairman |
| Shri Lalit Bhandari | - Member   |
| Shri Ajay Gokhale   | - Member   |

The CSR Committee has identified various areas where the Company can spend the money out of the earmarked fund. The CSR Committee has formulated a comprehensive Corporate Social Responsibility (CSR) Policy under which Rural Health, Rural Education, Rural Development Projects have been the areas of specific focus. The said policy has been approved at the Board Meeting held on 18<sup>th</sup> August '2015 .

#### 2. Composition Of Committee

| Name | Designation |
|------|-------------|
|------|-------------|

|                     |            |
|---------------------|------------|
| Shri Arun Bhandari  | - Chairman |
| Shri Lalit Bhandari | - Member   |
| Shri Ajay Gokhale   | - Member   |

#### 3. Average net profit of the Company for Last 3 financial years.

Profits for 3 past years (₹.)

|         |             |   |
|---------|-------------|---|
| 2014-15 | 6,11,11,817 | Average Net Profit (Rs.)<br>3,98,18,227 |
| 2013-14 | 3,63,52,404 |   |
| 2012-13 | 2,19,90,459 |   |

#### 4. Prescribed CSR expenditure (2% of the amount as in item 3)

The Company is required to spend ₹.7,96,365/-.

During the year, the Company spent ₹.1,71,000/-. The Company is in the process of identifying good projects and once finalized the needful expenditure will be incurred on such projects.

#### 5. Details of CSR Spend

The Company spent the amount on CSR activities in the following ways:

| Sr. No. | Project Description       | Amount Spent | Purpose           |
|---------|---------------------------|--------------|-------------------|
| 1.      | On Promotion of Education | 60000=00     | Education         |
| 2.      | On Promotion of Education | 60000=00     | Special Education |
| 3.      | On Promotion of Education | 51000=00     | Special Education |
|         |                           |              |                   |
|         | Total:                    | 171000=00    |                   |

  
Arun Bhandari  
(Chairman CSR Committee)

  
Lalit Bhandari  
(Director)

## ANNEXURE – IV TO DIRECTORS' REPORT

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

Pursuant to section 134(3)(m) of the Companies Act, 2013 the following information is provided:

#### A) Conservation of energy:

##### a) Measures taken for conservation of Energy :

The company has been giving utmost priority to conservation of various forms of energy used in the manufacturing process. The major conservation measures implemented so far are optimisation of utility output to match process requirement thereby reducing wasteful running of equipment and timely replacement or servicing wherever required.

- b) Replacement of high energy consumption compressor with low HP Energy saving compressor. Total energy consumption and energy consumption per unit production.

|  | <u>2015-16</u> | <u>2014-15</u> |
|--|----------------|----------------|
| <b>A. Power &amp; Fuel Consumption</b> |                |                |
| 1) Electricity                         |                |                |
| Purchased Units (Lacs)                 | 109.65         | 98.43          |
| Total Amount (₹/Lacs)                  | 879.86         | 683.67         |
| Rate/Unit (₹)                          | 8.02           | 6.95           |
| 2) Furnace Oil                         |                |                |
| Quantity (M.T.)                        | 502.528        | 408.851        |
| Total Amount(₹/Lacs)                   | 125.18         | 151.98         |
| Average Rate/kg. (₹)                   | 24.91          | 37.17          |
| 3) Coal Lumps & Fire Wood              |                |                |
| Quantity ( M.T. )                      | 1332.060       | 1183.510       |
| Total Amount(₹/Lacs)                   | 53.44          | 43.97          |
| Average Rate/KG (₹)                    | 4.01           | 3.72           |

- c) Progressively we are replacing normal Star Delta Startors with VFD'S for various machines.

#### (B) Technology absorption:

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

#### (C) Foreign exchange earnings and Outgo:

The company has been exploring demand of its product in foreign market and during the year under review company received good response. Export continue to be thrust area.

|   | 2015-16               | 2014-15               |
|---|-----------------------|-----------------------|
| <b>a) <u>Foreign Exchange Earning</u></b>             | (₹)/Lacs)             | (₹)/Lacs)             |
| On Account of Export FOB Value                        | <b><u>1193.19</u></b> | <b><u>1552.61</u></b> |
| <b>b) <u>Foreign Exchange Outgo</u></b>               |                       |                       |
| i) Raw Material                                       | 12.90                 | 15.86                 |
| ii) Trading Goods                                     | -                     | -                     |
| iii) Capital Goods                                    | 5.76                  | 46.51                 |
| <b>Total (i+ii+iii)</b>                               | <b><u>18.66</u></b>   | <b><u>62.37</u></b>   |
| <b>iv) Expenditure in Foreign Currency (Remitted)</b> |                       |                       |
| Commission on Export sales                            | 13.91                 | 17.47                 |
| Royalty on Technical know how                         | 20.52                 | 29.83                 |
| Travelling Expense-others                             | 7.89                  | 2.65                  |
| <b>Total (iv)</b>                                     | <b><u>42.32</u></b>   | <b><u>49.95</u></b>   |
| <b>Grand Total (i+ii+iii+iv)</b>                      | <b><u>60.98</u></b>   | <b><u>112.32</u></b>  |

# ANNEXURE – V TO DIRECTIONS 1

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31-03-2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management & Administration) Rules, 2014

#### I. REGISTRATION AND OTHER DETAILS:

|    |  |   |
|----|--|---|
| 1. | CIN  | U32300MH1973PLC030813   |
| 2. | Registration Date  | 08 <sup>th</sup> October 1973   |
| 3. | Name of the Company  | MMP Industries Limited  |
| 4. | Category/Sub-category of the Company                                   | Company limited by shares/Non-Government Company  |
| 5. | Address of the Registered office & contact details                     | 211-Shrimohini,345-Kingsway Civil Lines,<br>Nagpur – 440001,Maharashtra<br>Contact No. : 0712-2533585<br>Email Id. :sharadk@mmpil.com |
| 6. | Whether listed company Yes/No  | No  |
| 7. | Name, Address & Contact details of Registrar & Transfer Agent, if any. | NA  |

#### 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]

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1.      | Aluminium Powders & Paste                        | 3039                            | 69.51                              |
| 2.      | Aluminium Conductor & Reinforcement              | 3610                            | 26.83                              |

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

| Sl. No | Name and Address of the Company  | CIN/GLN               | Holding/Subsidiary/Associate | % of Shares Held | Applicable Section |
|--------|--|-----------------------|------------------------------|------------------|--------------------|
| 1.     | M/s Star Circlips & Engineering Ltd,<br>B-24,MIDC Area,Hingna Road,Nagpur-440016 | U24110MH1974PLC017301 | Associate                    | 26.06            | 2(6)               |
| 2.     | M/s Mayank Fasteners Private Limited,<br>83 Shivajinagar,Nagpur-440010           | U45200MH1987PTC045474 | Associate                    | 26.97            | 2(6)               |

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

**1. Category-wise Share Holding:**

| Category of Shareholders                                | No. of Shares held at the beginning of the year |          |         |                   | No. of Shares held at the end of the year |          |         |                   | % Change during the year |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
|   | Demat   | Physical | Total   | % of Total Shares | Demat                                     | Physical | Total   | % of Total Shares |                          |
| <b>A. Promoter's</b>                                    |   |          |         |                   |   |          |         |                   |                          |
| <b>(1) Indian:</b>                                      |   |          |         |                   |   |          |         |                   |                          |
| a) Individual/ HUF                                      | 0   | 4609270  | 4609270 | 55.60             | 0   | 4877070  | 4877070 | 58.83             | 3.23                     |
| 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.   | 0   | 1383750  | 1383750 | 16.69             | 0   | 1383750  | 1383750 | 16.69             | 0.00                     |
| e) Banks / FI   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| f) Any other  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| <b>Sub-Total (A)(1):</b>                                | 0   | 5993020  | 5993020 | 72.29             | 0   | 6260820  | 6260820 | 75.52             | 3.23                     |
| <b>(2) Foreign:</b>                                     |   |          |         |                   |   |          |         |                   |                          |
| a) NRIs- 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                        |
| <b>Sub-Total (A)(2):</b>                                | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b> | 0   | 5993020  | 5993020 | 72.29             | 0   | 6260820  | 6260820 | 75.52             | 3.23                     |

| Category of Shareholders   | No. of Shares held at the beginning of the year |          |         |                   | No. of Shares held at the end of the year |          |         |                   | % Change during the year |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
|  | Demat   | Physical | Total   | % of Total Shares | Demat                                     | Physical | Total   | % of Total Shares |                          |
| B. Public Shareholding   |   |          |         |                   |   |          |         |                   |                          |
| 1. Institutions  |   |          |         |                   |   |          |         |                   |                          |
| a) Mutual Funds  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| b) Banks / FI  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| c) Central Govt  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| d) State Govt(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) FIIs  | 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)  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| Sub-total (B)(1):-   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| (2) Non-Institutions   |   |          |         |                   |   |          |         |                   |                          |
| a) Bodies Corporate:   |   |          |         |                   |   |          |         |                   |                          |
| i) Indian  | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| ii) Overseas   | 0   | 0        | 0       | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| b) Individuals:  |   |          |         |                   |   |          |         |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 0   | 1547650  | 1547650 | 18.67             | 0   | 1327850  | 1327850 | 16.02             | -2.65                    |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0   | 749380   | 749380  | 9.04              | 0   | 701380   | 701380  | 8.46              | -0.58                    |

| Category of Shareholders                     | No. of Shares held at the beginning of the year |                |                |                   | No. of Shares held at the end of the year |                |                |                   | % Change during the year |
|--|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total          | % of Total Shares | Demat                                     | Physical       | Total          | % of Total Shares |                          |
| <b>c) Others (specify):</b>                  |   |                |                |                   |   |                |                |                   |                          |
| Non Resident Indians                         | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Overseas Corporate Bodies                    | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Foreign Nationals                            | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Clearing Members                             | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Trusts                                       | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Foreign Bodies - D R                         | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| Sub-total (B)(2):-                           | 0   | 2297030        | 2297030        | 27.71             | 0   | 2029230        | 2029230        | 24.48             | -3.23                    |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| C. Shares held by Custodian for GDRs & ADRs  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>                   | <b>0</b>  | <b>8290050</b> | <b>8290050</b> | <b>100.0</b>      | <b>0</b>                                  | <b>8290050</b> | <b>8290050</b> | <b>100.0</b>      | <b>0.00</b>              |

2. *Shareholding of Promoter:*

| Sl. No. | Shareholder's Name                  | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|---------|-------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|         |                                     | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1.      | Shri Arun Bhandari                  | 2717372                                   | 32.79                            | -  | 2825572                             | 34.09                            | -  | 1.30                                     |
| 2.      | Shri M.M.Agrawal                    | 76230                                     | 0.92                             | -  | 76230                               | 0.92                             | -  | -  |
| 3.      | Shri Lalit Bhandari                 | 117600                                    | 1.41                             | -  | 117600                              | 1.41                             | -  | -  |
| 4.      | Shri H.A.Jahagirdar                 | 70800                                     | 0.85                             | -  | 70800                               | 0.85                             | -  | -  |
| 5.      | Shri Mayank Bhandari                | 167675                                    | 2.02                             | -  | 167675                              | 2.02                             | -  | -  |
| 6.      | Miss Rohini Bhandari                | 49700                                     | 0.60                             | -  | 49700                               | 0.60                             | -  | -  |
| 7.      | Smt.Saroj Bhandari                  | 1395893                                   | 16.84                            | -  | 1395893                             | 16.84                            | -  | -  |
| 8.      | Smt. Sakshi Bhandari                | 14000                                     | 0.16                             | -  | 173600                              | 2.09                             | -  | 1.93                                     |
| 9.      | M/s Mayank Fasteners Pvt.Ltd        | 928750                                    | 11.20                            | -  | 928750                              | 11.20                            | -  | -  |
| 10.     | M/s Star Circlips & Engineering Ltd | 400000                                    | 4.83                             | -  | 400000                              | 4.83                             | -  | -  |
| 11.     | M/s Rohini Horticulture Pvt.Ltd     | 55000                                     | 0.66                             | -  | 55000                               | 0.66                             | -  | -  |

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

| Sl. No. | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the company |
| 1.      | At the beginning of the year  | 5993020                                   | 72.29                            | 5993020                                 | 72.29                            |
| 2.      | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.): | 267800<br>(08-04-2015)                    | 3.23                             | 267800<br>(08-04-2015)                  | 3.23                             |
| 3.      | At the end of the year  | 6260820                                   | 75.52                            | 6260820                                 | 75.52                            |

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

| Sl. No. | Shareholding of each Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the company |
| 1.      | At the beginning of the year  | 512674                                    | 6.18                             | 512674                                  | 6.18                             |
| 2.      | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.): |   |                                  |   |                                  |
| 3.      | At the end of the year (or on the date of separation, if separated during the year)   | 512674                                    | 6.18                             | 512674                                  | 6.18                             |

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

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel   | Shareholding at the beginning of the year |                                  | Shareholding during the year |                                  | % of total shares of the company |
|---------|--|---|----------------------------------|------------------------------|----------------------------------|----------------------------------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                | % of total shares of the company |                                  |
| 1.      | <b>Shri Arun Bhandari (Managing Director)</b>  |   |                                  |                              |                                  |                                  |
|         | At the beginning of the year   | 2717372                                   | 32.78                            | 2717372                      |                                  | 32.78                            |
|         | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) | 108200                                    | 08-04-2015                       | 108200                       | 08-04-2015                       | 1.31                             |
|         | At the end of the year   | 2825572                                   | 34.09                            | 2825572                      |                                  | 34.09                            |
| 2.      | <b>Shri M.M.Agrawal (Director)</b>   |   |                                  |                              |                                  |                                  |
|         | At the beginning of the year   | 76230                                     | 0.92                             | 76230                        |                                  | 0.92                             |
|         | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) |   |                                  |                              |                                  |                                  |
|         | At the end of the year   | 76230                                     | 0.92                             | 76230                        |                                  | 0.92                             |
| 3.      | <b>Shri Lalit Bhandari (Director)</b>  |   |                                  |                              |                                  |                                  |
|         | At the beginning of the year   | 117600                                    | 1.42                             | 117600                       |                                  | 1.42                             |
|         | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) |   |                                  |                              |                                  |                                  |
|         | At the end of the year   | 117600                                    | 1.42                             | 117600                       |                                  | 1.42                             |
| 4.      | <b>Shri H.A.Jahagirdar (Director)</b>  |   |                                  |                              |                                  |                                  |
|         | At the beginning of the year   | 70800                                     | 0.85                             | 70800                        |                                  | 0.85                             |
|         | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) |   |                                  |                              |                                  |                                  |
|         | At the end of the year   | 70800                                     | 0.85                             | 70800                        |                                  | 0.85                             |

## V. INDEBTEDNESS

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

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits   | Total Indebtedness |
|--|----------------------------------|-----------------|------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |            |                    |
| i) Principal Amount  | 387575421                        | 38126368        | Nil        | 425701789          |
| ii) Interest due but not paid                              | Nil                              | Nil             | Nil        | Nil                |
| iii) Interest accrued but not due                          | 787507                           | Nil             | Nil        | 787507             |
| <b>Total (i+ii+iii)</b>                                    | <b>388362928</b>                 | <b>38126368</b> | <b>Nil</b> | <b>426489296</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |            |                    |
| ▲ Addition   |                                  | 35587379        | Nil        | 35587379           |
| ▲ Reduction  | 67037611                         |                 | Nil        | 67037611           |
| <b>Net Change</b>  | <b>(67037611)</b>                | <b>35587379</b> | <b>Nil</b> | <b>(31450232)</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |            |                    |
| i) Principal Amount  | 320465040                        | 73713747        | Nil        | 394178787          |
| ii) Interest due but not paid                              | Nil                              | Nil             | Nil        | Nil                |
| iii) Interest accrued but not due                          | 860277                           | Nil             | Nil        | 860277             |
| <b>Total (i+ii+iii)</b>                                    | <b>321325317</b>                 | <b>73713747</b> | <b>Nil</b> | <b>395039064</b>   |

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

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

| Sl. No | Particulars of Remuneration   | Name of MD/WTM/ Manager | Shri Arun Rajuviraj Bhandari<br>(Reappointed as Managing Director<br>w.e.f 1 <sup>st</sup> February 2015) | Shri Lalit Bhandari (upto<br>on 31 <sup>st</sup> March 2017) | Shri Madan Mohan Agrawal<br>(Upto 31 <sup>st</sup> July 2018) | Total Amount |
|--------|---|-------------------------|---|--|---|--------------|
| 1.     | Gross salary  |                         |   |  |   |              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                         | 3600000   | 1227705  | 240000  | 5067705      |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                         | 432000  | 68400  | -   | 500400       |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                         | -   | -  | -   |              |
| 2.     | Stock Option  |                         | -   | -  | -   |              |
| 3.     | Sweat Equity  |                         | -   | -  | -   |              |
| 4.     | Commission - as % of profit - others, specify                                       |                         | -   | -  | -   |              |
| 5.     | Others, please specify*   |                         | -   | -  | -   |              |
|        | <b>Total (A)</b>  |                         | 4032000   | 1296105  | 240000  | 5568105      |
|        | <b>Ceiling as per the ACT</b>   |                         |   |  |   |              |

**B. Remuneration to Other Directors:**

| Sl. No. | Particulars of Remuneration                  | Name of Directors | Total Amount (Rs.) |
|---------|--|-------------------|--------------------|
| 1.      | <b>Independent Directors:</b>                |                   |                    |
|         | Fee for attending board /committee meetings  | 0                 | 0                  |
|         | Commission                                   | 0                 | 0                  |
|         | Others, please specify                       | 0                 | 0                  |
|         | <b>Total (1)</b>                             | 0                 | 0                  |
| 2.      | <b>Other Non-Executive Directors:</b>        |                   |                    |
|         | Fee for attending board / committee meetings | -                 | 0                  |
|         | Commission                                   | 0                 | 0                  |
|         | Others, please specify                       | 0                 | 0                  |
|         | <b>Total (2)</b>                             | 0                 | 0                  |
|         | <b>Total (B)=(1+2)</b>                       | 0                 | 0                  |
|         | <b>Total Managerial Remuneration</b>         | 0                 | 0                  |
|         | <b>Overall Ceiling as per the Act</b>        | -                 | -                  |

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


| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |     | Total Amount (Rs.) |
|---------|---|--------------------------|-------------------|-----|--------------------|
|         |   | CEO                      | Company Secretary | CFO |                    |
| 1.      | Gross salary  |                          |                   |     |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          |                   |     |                    |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          |                   |     |                    |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |                   |     |                    |
| 2.      | Stock Option  |                          |                   |     |                    |
| 3.      | Sweat Equity  |                          |                   |     |                    |
| 4.      | Commission  |                          |                   |     |                    |
|         | - as % of profit  |                          |                   |     |                    |
|         | Others, specify...  |                          |                   |     |                    |
| 5.      | Others, please specify  |                          |                   |     |                    |
|         | Total   |                          |                   |     |                    |


N.A

**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:</b>                   |                              |                   |   |                              |                                    |
| Penalty                              |                              |                   |   |                              |                                    |
| Punishment                           |                              |                   |   |                              |                                    |
| Compounding                          |                              |                   | None  |                              |                                    |
| <b>B. DIRECTORS:</b>                 |                              |                   |   |                              |                                    |
| Penalty                              |                              |                   |   |                              |                                    |
| Punishment                           |                              |                   |   |                              |                                    |
| Compounding                          |                              |                   | None  |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT:</b> |                              |                   |   |                              |                                    |
| Penalty                              |                              |                   |   |                              |                                    |
| Punishment                           |                              |                   |   |                              |                                    |
| Compounding                          |                              |                   | None  |                              |                                    |

For and on behalf of the Board of Directors

  
Arun Bhandari  
(Managing Director)

  
Lalit Bhandari  
(Director)

Place: Nagpur  
Date: 23/08/2016

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

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

**Report on the Financial Statement**

We have audited the accompanying financial statements of MMP Industries Limited (Formerly Known as Maharashtra Metal Powders Ltd.) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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



*Dev*

# N.S. RATHORE & CO.

CHARTERED ACCOUNTANTS

Phone : 2375728

2361830

59, Sardar Patel Marg  
Jaipur-302 001

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

financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014;
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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NIRAJ RATHORE A.C.A.

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

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

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

  
(N.S. VYAS)  
PARTNER

Membership No. 010937

PLACE: JAIPUR  
DATE : 23/08/2016



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

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

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

We have audited the internal financial controls over financial reporting of MMP Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

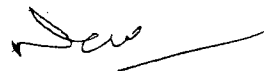
#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

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

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

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



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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

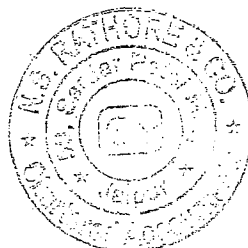
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31, 2016, 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".

Place : Jaipur

Date : 23/08/2016



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

*N. S. Rathore*

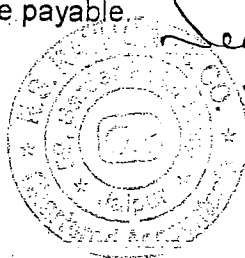
(N.S. VYAS)  
PARTNER

Membership No. F10937

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

(Referred to in paragraph (2) Under 'Report on other Legal and Regulatory Requirements' of our report of even date for the Year Ended 31.03.2016 of **MMP INDUSTRIES LIMITED (Formerly known as Maharashtra Metal Powders Ltd.)**

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



(b) Details of dues of Income-tax ,Sales Tax and Excise Duty which have not been deposited as on March 31,2016 on account of disputes are given below: -

| Name of the Statute                        | Nature of the Dues        | Forum where dispute is pending      | Period to which the amount is related           | Amount Involved in (₹.in lakh) |
|--|---------------------------|-------------------------------------|---|--------------------------------|
| Sales Tax Act applicable to State and CST. | Sales Tax                 | Various Appellate Authorities       | Financial year 2001-2002 to 2004-2005 & 2008-09 | 97.73                          |
| Income Tax Act,1961                        | Income Tax                | Commissioner of Income tax (Appeal) | Financial Year 2012-13                          | 1.84                           |
| Central Excise Act 1944                    | Excise Duty & Service Tax | Additional Commissioner Nagpur-II   | Period : March 09 to Sept'15                    | 46.19                          |

- viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- ix) In our opinion, the term loans have been applied for the purpose for which they were raised.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act,2013,where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc.as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

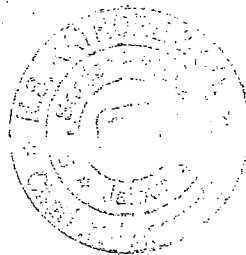


xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with the directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Place : Jaipur

Date : 23/08/2016



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

A handwritten signature in black ink, appearing to read "N.S. Vyas", followed by a horizontal line.

(N.S. VYAS)

PARTNER

Membership No. F10937

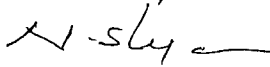
**MMP INDUSTRIES LIMITED**  
(Formerly known as Maharashtra Metal Powders Limited)  
**Balance Sheet as at March 31, 2016**

|  | Note No. | As at 31st<br>March, 2016<br>(Amount in ₹.) | As at 31st<br>March, 2015<br>(Amount in ₹.) |
|--|----------|---|---|
| <b>EQUITY AND LIABILITIES</b>          |          |   |   |
| <b>Shareholder's Funds :</b>           |          |   |   |
| Share Capital                          | 2        | 82900500                                    | 82900                                       |
| Reserve & Surplus                      | 3        | 235101726                                   | 152830                                      |
|  |          | <u>318002226</u>                            | <u>235730</u>                               |
| <b>Non-current Liabilities</b>         |          |   |   |
| Long Term Borrowing                    | 4        | 83129694                                    | 1172650                                     |
| Deferred Tax Liabilities               | 5        | 38591729                                    | 305591                                      |
|  |          | <u>121721423</u>                            | <u>1478241</u>                              |
| <b>Current Liabilities</b>             |          |   |   |
| Short-term borrowings                  | 6        | 280667072                                   | 2767502                                     |
| Trade payables                         | 7        | 93091815                                    | 1507635                                     |
| Other current liabilities              | 8        | 71583637                                    | 558046                                      |
| Short-term provisions                  | 9        | 9022106                                     | 27418                                       |
|  |          | <u>454364629</u>                            | <u>4860603</u>                              |
| <b>TOTAL</b>                           |          | <u>894088278</u>                            | <u>86961522</u>                             |
| <b>ASSETS</b>                          |          |   |   |
| <b>Non Current Assets</b>              |          |   |   |
| <b>Fixed Assets</b>                    |          |   |   |
| Tangible Assets                        | 10       | 367452451                                   | 33840504                                    |
| Intangible Assets                      | 10       | 27500                                       | 27500                                       |
| Capital Work-in-Progress               | 10       | 8694962                                     | 2035094                                     |
|  |          | <u>376174913</u>                            | <u>358783490</u>                            |
| Non current investment                 | 11       | 11154890                                    | 11154890                                    |
| Long-term loans and advances           | 12       | 3636550                                     | 2586070                                     |
|  |          | <u>14791440</u>                             | <u>13740960</u>                             |
| <b>Current Assets</b>                  |          |   |   |
| Inventories                            | 13       | 185750087                                   | 194165809                                   |
| Trade Receivable                       | 14       | 272158628                                   | 277367092                                   |
| Cash & Bank Balances                   | 15       | 14737998                                    | 1889970                                     |
| Short Term Loans & Advances            | 16       | 3911096                                     | 8049226                                     |
| Other Current Assets                   | 17       | 26564116                                    | 15618681                                    |
|  |          | <u>503121925</u>                            | <u>497090778</u>                            |
| <b>TOTAL</b>                           |          | <u>894088278</u>                            | <u>869615228</u>                            |
| <b>SIGNIFICANT ACCOUNTING POLICIES</b> | 1        | 0.00  | 0.00  |

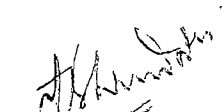
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached  
For N.S. RATHORE & CO.

Chartered Accountants  
(FRN-012414C)

  
(N.S. Vyas)  
Partner (M.No.-010937)  
Place : Jaipur  
Date : 23/08/2016

For and on behalf of the board

  
(ARUN BHANDARI)  
Managing Director  
Place : Nagpur  
Date : 23/08/2016

  
(LALIT BHANDARI)  
Director

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

**Statement of Profit and Loss for the year ended March 31, 2016**

|   | Note No. | Year Ended<br>March, 2016<br>(Amount in ₹.) | Year Ended<br>March, 2015<br>(Amount in ₹.) |
|---|----------|---|---|
| <b>INCOME</b>   |          |   |   |
| Revenue from operations(Gross)  | 18       | 2006945934                                  | 17481681                                    |
| Less: Excise Duty   |          | 201256532                                   | 1740721                                     |
| Revenue from operations(Net)  |          | <u>1805689402</u>                           | <u>15740960</u>                             |
| Other Income  | 19       | 6385157                                     | 23562                                       |
| <b>TOTAL INCOME</b>   |          | <u>1812074560</u>                           | <u>15764530</u>                             |
| <b>EXPENDITURE</b>  |          |   |   |
| Cost of Material Consumed   | 20       | 1268830248                                  | 11088355                                    |
| Purchase of Stock-in -Trade   |          | 1145000                                     | 9767  |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 21       | (2392662)                                   | 3120059                                     |
| Employee benefit expenses   | 22       | 108434756                                   | 8661398                                     |
| Financial Cost  | 23       | 66249289                                    | 6044977                                     |
| Depreciation and amortization expenses  | 24       | 16168523                                    | 1509842                                     |
| Others Expenses   | 25       | 234128363                                   | 21216621                                    |
| <b>TOTAL EXPENDITURE</b>  |          | <u>1692563518</u>                           | <u>151534124</u>                            |
| <b>PROFIT BEFORE TAX</b>  |          | <u>119511042</u>                            | <u>6111181</u>                              |
| <b>TAX EXPENSE :</b>  |          |   |   |
| Current Tax   |          | 30000000                                    | 13000000                                    |
| Deferred Tax  |          | 8032607                                     | 6571811                                     |
| Income Tax relating to earlier year   |          | (16026)                                     | 2807078                                     |
| <b>PROFIT FOR THE YEAR</b>  |          | <u>81494461</u>                             | <u>38732924</u>                             |
| <b>EARNING PER EQUITY SHARE</b>   |          |   |   |
| Basic and Diluted ( in ₹)   |          | 9.83  | 4.67  |

**SIGNIFICANT ACCOUNTING POLICIES**

1

THE ACCOMPANYING NOTES AS FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

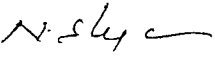
As per our report of even date attached

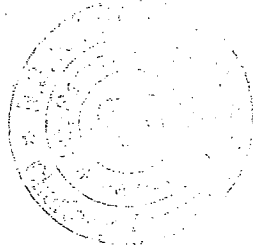
For and on behalf of the board

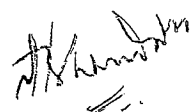
For N.S. RATHORE & CO.

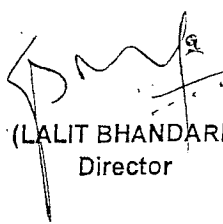
Chartered Accountants

(FRN-012414C)

  
(N.S. Vyas)  
Partner (M.No.- 010937)  
Place : Jaipur  
Date : 23/08/2016



  
(ARUN BHANDARI)  
Managing Director  
Place : Nagpur  
Date : 23/08/2016

  
(LALIT BHANDARI)  
Director

**MMP INDUSTRIES LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

|           | PARTICULARS   | Year Ended<br>31.03.2016<br>₹ | Year Ended<br>31.03.2015<br>₹ |
|-----------|---|-------------------------------|-------------------------------|
| <b>A.</b> | <b>Cash Flow from Operating Activities</b>                |                               |                               |
|           | Profit before taxation as per P & L Account               | 119511042                     | 61111817                      |
|           | Adjustments for   |                               |                               |
|           | Depreciation  | 16168523                      | 15098420                      |
|           | Interest Income   | (2066894)                     | (1347246)                     |
|           | Finance Cost  | 54204220                      | 55727969                      |
|           | Unlearised Gain/(Loss) on Foreign Exchange Fluctuation    | 12045069                      | 4721801                       |
|           | Profit/loss on sale of fixed Assets                       | (7367)                        | (18667)                       |
|           | Profit/loss on sale of Investments                        |                               |                               |
|           | <b>Operating profit before working capital Changes</b>    | <b>199854594</b>              | <b>135294094</b>              |
|           | (Increase) decreased in inventories                       | 8415722                       | 30039235.02                   |
|           | (Increase) decreased in trade and other receivables       | 5208464.09                    | (92289255)                    |
|           | (Increase) decreased in Loans and advances                | 3087649.90                    | (4655218)                     |
|           | (Increase) decreased in other current assets              | (10945436)                    | 674596                        |
|           | Increased /( decreased) in Current Liabilities            | (40588246)                    | 9781272                       |
|           | Sales Tax Incentive Received                              | 777000                        | 7,55,000.00                   |
|           | <b>Cash Generated from Operation</b>                      | <b>165809748</b>              | <b>79599724</b>               |
|           | Direct taxes Paid   | (23703744)                    | (14696164)                    |
|           | <b>Net Cash from operating activities</b>                 | <b>142106004</b>              | <b>64903560</b>               |
| <b>B</b>  | <b>Cash flow from Investing Activities</b>                |                               |                               |
|           | Investment in Fixed Assets including Capital WIP          | (33559946)                    | (121323286)                   |
|           | Sales of fixed Assets                                     | 7367                          | 18667                         |
|           | Increase /Decrease in investments                         |                               |                               |
|           | Interest received   | 2066894                       | 1347246                       |
|           | <b>Net Cash used in investing Activities</b>              | <b>(31485685)</b>             | <b>(119957372.51)</b>         |
| <b>C.</b> | <b>Cash flow from financing Activities</b>                |                               |                               |
|           | Financial Cost  | (66249289)                    | (60449770)                    |
|           | Term loan Received  |                               | 74335652                      |
|           | Repayment of Term loan                                    | (28472022)                    | (15550830)                    |
|           | Short Term Borrowing                                      | 3916842                       | 49050246                      |
|           | Long term Unsecured Loan from others                      | -6967822                      | 6229013.18                    |
|           | <b>Net cash from Financing Activities</b>                 | <b>(97772291)</b>             | <b>53614311.62</b>            |
|           | <b>Net increase /decrease in Cash and cash equivalent</b> | <b>12848027</b>               | <b>(1439501)</b>              |
|           | Cash and Cash equivalents at the beginning of the year    | 1889970                       | 3329472                       |
|           | Cash and Cash equivalents at the End of the year          | 14737998                      | 1889970                       |

Note : Figure in brackets represent outflows.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

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

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



*Arun Bhandari*  
(Arun Bhandari)  
Managing Director

*Lalit Bhandari*  
(Lalit Bhandari)  
Director

Place : Jaipur  
Date : 23/08/2016

Place : Nagpur  
Date : 23/08/2016

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

**NOTES FORMING PART OF FINANCIAL STATEMENT**

**a. Nature of Operation**

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

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

**b. Basis of Accounting**

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

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

**1. Significant Accounting Policies**

**i) Fixed Assets**

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

**ii) Impairment of Fixed Assets**

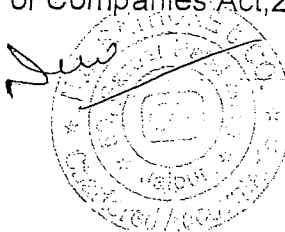
At balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an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

**iii) Depreciation**

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

**iv) Investment**

Investment are stated at cost.



#### **v) Inventories**

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

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

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

#### **vii) Borrowing Cost**

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

#### **vii)i Revenue Recognition**

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

#### **ix) Foreign Currency Transactions**

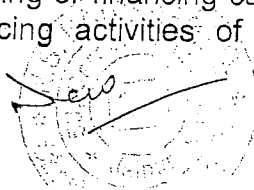
Normal Exchange differences at the time of settlement are dealt with in the Profit & Loss account. Monetary assets and liabilities in foreign currency existing at the Balance Sheet date are translated at the year-end exchange rates. Exchange difference arising on forward contract is recognised as income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

#### **x) Research & Development**

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

#### **xi) Cash Flow Statement**

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

A handwritten signature is written over a circular official stamp. The signature appears to be 'S. Ch...' and the stamp contains some text that is partially obscured by the ink.

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

**xiii) Earnings Per Share**

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

**xiv) Taxes on Income**

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

**xv) Contingent Liabilities**

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

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

Gross amount required to spend during the year

Rs. ~~5.27~~ lakhs

Amount spend during the year

Rs. 1.71 lakhs



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

**Notes forming part of the financial statements**

**2 Share Capital**  
**Authorised**

85,00,000 Equity Share of ₹ 10/-  
each (P.Y. 85,00,000 Equity Share of ₹ 10 each)

**Issued, Subscribed & Paid Up**

82,90,050 Equity Shares of ₹ 10/- each fully Paid Up

As at 31st  
March, 2016

As at 31st  
March, 2015

85000000

85000000

82900500

82900500

82900500

82900500

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

| Name of the Shareholder    | 31.03.2016        |        | 31.03.2015        |        |
|----------------------------|-------------------|--------|-------------------|--------|
|                            | No. of Share held | %      | No. of Share held | %      |
| Shri Arun Bhandari         | 2825572           | 34.10% | 2717372           | 32.79% |
| Smt. Saroj Bhandari        | 1395893           | 16.84% | 1395893           | 16.84% |
| Mayank Fasteners Pvt. Ltd. | 928750            | 11.20% | 928750            | 11.20% |

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

| Particulars                                     | 31.03.2016    | 31.03.2015    |
|---|---------------|---------------|
|   | No. of Shares | No. of Shares |
| Shares outstanding at the beginning of the year | 8290050       | 8290050       |
| Shares issued during the year                   | -             | -             |
| Shares bought back during the year              | -             | -             |
| Shares outstanding at the end of the year       | 8290050       | 8290050       |

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

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

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

**3 Reserve & Surplus**

**Capital Reserve (SCI)**

Balance as per last financial statements  
Add : Sales Tax Incentive under PSI Scheme  
Closing Balance

3255000

2500000

777000

755000

4032000

3255000

**Revaluation Reserve**

Balance as per last financial statements

607817

607817

**General Reserve**

As per last Balance Sheet  
Add : Transferred from Profit and Loss Account  
Closing Balance

40712922

40712922

40712922

40712922

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

Balance as per last financial statements

108254525

69521601

Add : Profit for the year

81494461

38732924

Closing Balance

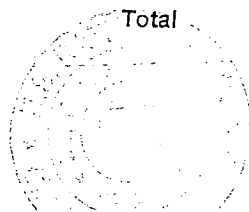
189748986

108254525

235101726

152830264

Total



*[Signature]*

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

**Notes forming part of the financial statements**

**4 Long Term Borrowings**

31.03.2016

31.03.2015

**4.1 Term Loan**

Secured

From Bank

Foreign Currency Loans

Less : current maturity (refer note-8)

Total (a)

88101213

111268671

29478647

26381976

58622566

84886695

From Bank

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (b)

1347116

1954905

523943

607788

823173

1347117

Total (c)=(a)+(b)

59445739

86233812

Secured

From Other's

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (d)

226821

646766

226821

419945

226821

UnSecured

Indian Rupee Loans from others

Total (e)

13657178

20625000

13657178

20625000

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

73102917

107085632

**4.2 Deferred Payment Liability**

Sales Tax Deferment (unsecured)

Less : current maturity (refer note-8)

Total (g)

10179387

14456218

152610

4276831

10026777

10179387

**Total Long Term Borrowings**

Total (f)+(g)

83129694

117265019

Term of Repayment

1. Term loan from Axis Bank ₹. 4.77 lacs carries interest @six month USD LIBOR + 480 basic points and is repayable in 34 instalment commencing from Oct.-13.
2. Term Loan from Axis Bank ₹.155.77 lacs carries interest @six month USD LIBOR + 480 basic points and is repayable in 42 instalment commencing from Oct.-13.
3. Term Loan from ICICI Bank ₹.718.50 lacs carries interest @three month LIBOR or Equivalent Benchmark and is repayable in 23 instalment commencing from Nov.-15
4. Term Loan for Vehicle from Banks and Others ₹.15.74lacs carries interest between 10.18% to 11.75% and is repayable as per schedule.
5. Loan from Other parties is a long term loan and are payable on demand.
6. Deferred Sales tax loan is interest free and the first instalment was started from the F.Y-2010-11 and the last installment will be paid by F.Y.2018-19

Security

1. The Term loan of ₹.4.77 lacs is secured by Hypothecation of entire movable assets including Plant and Machinery equipment etc.
  2. The Term loan of ₹.155.77 lacs is secured by Hypothecation of movable assets including Plant and Machinery equipment etc
  3. The Term loan of ₹.718.50 lacs is secured by Hypothecation of Factory Lands and Buildings situated at Maregaon, Neri, Hingna and Butibori.
- Common Securities for above term loan from bank are :**

- a. Factory land & building and immovable machineries of proposed unit II at K-61, MIDC Butibori, Nagpur.
- b. Factory land & building and immovable machineries at Village Maregaon, Post shahpur, Dist. Bhandara.
- c. Factory land & building situated at Sr.no.1016/2 part, Satona Neri Road, Village Neri, Mohad, Dist. Bhandara.
- d. Factory land & building and immovable machineries at B-28 & Plot No.B28/1, Hingana Ind. Estate, Nagpur.
- e. EM on Factory Land & Building at Survey No.43, 55/1, 56/1 & 56/2, PH No.06, Mouza Maregaon, Tal. & Dist. Bhandara

4. The Term loan of ₹.15.74 lacs is secured by Hypothecation of Vehicles.

**5 Deferred Tax Liability (Net)**

Deferred tax liabilities at the beginning of the year

30559122

23987307

Deferred tax liabilities during the year on account of timing difference

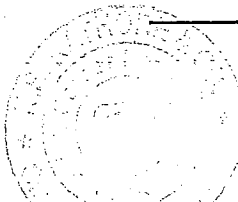
8032607

6571815

Deferred tax liabilities at the end of the year

38591729

30559122



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

**Notes forming part of the financial statements**

**6 Short Term Borrowings**

**6.1 Loan repayable on demand (secured)**

**From Bank**

Foreign Currency Loans

Indian Rupee Loans

**Total Short Term Borrowings**

**Total (a)**

|                  |                  |
|------------------|------------------|
| 153678388        | 138179453        |
| 77111501         | 135525626        |
| <b>230789889</b> | <b>273705079</b> |

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

**6.2 Loans repayable on demand (unsecured)**

**From Bank**

Foreign Currency Loan (Buyer Credit)

Indian Rupee Loans (Channel Finance)

**Total (b)**

|                 |                |
|-----------------|----------------|
| 49877182        | 3045150        |
| <b>49877182</b> | <b>3045150</b> |

**Total Short Term Borrowings**

**Total (a) + (b)**

|                  |                  |
|------------------|------------------|
| <b>280667072</b> | <b>276750229</b> |
|------------------|------------------|

**7 Trade Payable**

\* Micro, Small and Medium Enterprises

Others (including acceptance)

|                 |                  |
|-----------------|------------------|
| 93091815        | 150763579        |
| <b>93091815</b> | <b>150763579</b> |

\* Note : The Company has not received any memorandum ( as required to be filed by the suppliers with the notified authority under the Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2016 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

**8 Other Current Liabilities**

Current maturities of long-term debt (Refer Note No.4)

Current maturities of long-term debt (Refer Note No.4)

Current maturities of long-term debt (Refer Note No.4)

Interest accrued but not due on borrowings

Other Payables

Statutory Liabilities

Liabilities for Expenses

|                 |                 |
|-----------------|-----------------|
| 30002590        | 26989764        |
| 152610          | 4276831         |
| 226821          | 419945          |
| 860277          | 787507          |
| 17582105        | 4216086         |
| 6205793         | 4559133         |
| 16553440        | 14555372        |
| <b>71583637</b> | <b>55804638</b> |

**9 Short Term Provision**

Income Tax Provision

(Net of Advance Tax)

|                |                |
|----------------|----------------|
| 9022106        | 2741876        |
| <b>9022106</b> | <b>2741876</b> |

**11 Non-Current Investments**

Trade Investments

Investment in equity instrument at cost (unquoted)

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

998860 (P.Y.- 998860) Equity Shares of  
M/s Star Circlips & Engg. Ltd.

9782890 9782890

13440 (P.Y.-13440) Equity Shares of  
Mayank Fasteners Pvt.Ltd.

1344000 1344000

Non-Trade Investments

Govt. Securities (At Cost)

7Years National Saving Certificate

28000 28000

**TOTAL**

|                 |                 |
|-----------------|-----------------|
| <b>11154890</b> | <b>11154890</b> |
|-----------------|-----------------|

**12 Long Term Loan And Advances**

Security Deposits

Unsecured, considered good

**TOTAL** 3636550 2586070



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

## Notes on Financial Statements for the year ended 31st March, 2016

### 10. FIXED ASSETS

#### Tangible Fixed Assets

| Sr. Particulars No.       | Gross Value as on 01/04/2015 | Addition during the Year | Deletion / Adjus. | Total value as on 31/03/2016 | Depreciation up to 31/03/2015 | Adjustment during the Year | Depreciation for the Year | Depreciation up to 31/03/2016 | Net Block as on 31/03/2016 | Net Block as on 31/03/2015 |
|---------------------------|------------------------------|--------------------------|-------------------|------------------------------|-------------------------------|----------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|
| 1 LAND                    |                              |                          |                   |                              |                               |                            |                           |                               |                            |                            |
| Lease Hold                | 9618804                      | 5364008                  | -                 | 14982812                     | -                             | -                          | -                         | -                             | 14982812                   | 9618804                    |
| Free Hold                 | 8452174                      | 4321900                  | -                 | 10774074                     | -                             | -                          | -                         | -                             | 10774074                   | 8452174                    |
| 2 Factory Building        | 161856389                    | 7957226                  | -                 | 169613616                    | 28857149                      | -                          | 5271771                   | 34128920                      | 135484695                  | 132799240                  |
| 3 Non - Factory Building  | 10435383                     | -                        | -                 | 10435383                     | 1927635                       | -                          | 158024                    | 2085659                       | 8349725                    | 8507749                    |
| 4 Furniture & Fixture     | 4272281                      | 442465                   | -                 | 4714746                      | 2620693                       | -                          | 333069                    | 2953762                       | 1760984                    | 1651588                    |
| 5 Plant & Machinery       | 292641390                    | 19259899                 | 826395            | 311074894                    | 120427215                     | 613762                     | 8919802                   | 128733255                     | 182341639                  | 172214175                  |
| 6 Electric Installation   | 10901698                     | 7645093                  | 136339            | 18410451                     | 9334907                       | 136339                     | 391422                    | 9589990                       | 8820462                    | 1566791                    |
| 7 Vehicles                | 12637625                     | -                        | -                 | 12637625                     | 7897313                       | -                          | 843772                    | 8741085                       | 3896540                    | 4740312                    |
| 8 Office & Lab. Equipment | 3164449                      | 298707                   | -                 | 3463156                      | 2515286                       | -                          | 174189                    | 2689475                       | 773681                     | 649163                     |
| 9 Computer                | 2557648                      | 139260                   | -                 | 2696908                      | 2416390                       | -                          | 76474                     | 2492864                       | 204043                     | 141257                     |
| 10 Holiday Resort         | 70400                        | -                        | -                 | 70400                        | 44456                         | -                          | -                         | 44456                         | 25944                      | 25944                      |
| 11 Live Stock             | 37852                        | -                        | -                 | 37852                        | -                             | -                          | -                         | -                             | 37852                      | 37852                      |
| Total                     | 514446092                    | 45428558                 | 962735            | 55911916                     | 176041043                     | 750101                     | 16168523                  | 191459465                     | 367452451                  | 338405049                  |
| Previous Year             | 404799020                    | 109699484                | 52412             | 514446092                    | 160995035                     | 52412                      | 15098420                  | 176041043                     | 338405049                  | 243803984                  |
| Capital Work In Progress  | 20350942                     | 2844258                  | 14500237          | 8694962                      | -                             | -                          | -                         | -                             | 8694962                    | 8089981                    |

#### Intangible Fixed Assets

| Sr. Particulars No.  | Gross Value as on 01/04/2015 | Addition during the year | Deletion / Adjus. | Total value as on 31/03/2016 | Depreciation up to 31/03/2015 | Adjustment during the Year | Depreciation for the Year | Depreciation up to 31/03/2016 | Net Block as on 31/03/2016 | Net Block as on 31/03/2015 |
|----------------------|------------------------------|--------------------------|-------------------|------------------------------|-------------------------------|----------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|
| 1 Good Will          | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |
| Total                | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |
| Previous Year Figure | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |

**MMP INDUSTRIES LIMITED**

(Formerly known as Maharashtra Metal Powders Limited)

**Notes forming part of the financial statements**

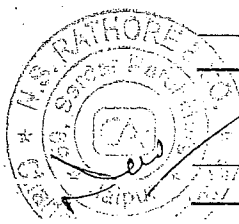
|  | 31.03.2016<br>₹  | 31.03.2015<br>₹ |
|--|------------------|-----------------|
| <b>Current Assets</b>  |                  |                 |
| <b>13 Inventories</b>  |                  |                 |
| Stores & Spares  | 11807108         | 139581          |
| Packing Materials  | 7273695          | 81408           |
| Raw Materials  | 52816262         | 606058          |
| Finished Goods   | 109260007        | 1070751         |
| Stock in Process   | 4593015          | 43852           |
|  | <b>185750087</b> | <b>1941658</b>  |
| <b>14 Trade Receivable</b>   |                  |                 |
| Trade recivables outstanding for a period exceeding six month from the date they are due for payment |                  |                 |
| Unsecured but Considered Good  | 22905531         | 58329           |
|  | <b>22905531</b>  | <b>58329</b>    |
| Trade recivables outstanding for a period less than six month from the date they are due for payment |                  |                 |
| Others - Unsecured but Considered Good   | 249253096        | 27153418        |
|  | <b>249253096</b> | <b>27153418</b> |
| <b>Total</b>   | <b>272158628</b> | <b>27736709</b> |
| <b>15 Cash &amp; Bank Balances :</b>   |                  |                 |
| Cash in hand   | 887295           | 896114          |
| Balance with Bank in current a/c's   | 13850702         | 993856          |
|  | <b>14737998</b>  | <b>1889970</b>  |
| <b>16 Short Term Loans And Advances</b><br>(Unsecured, considered good)                              |                  |                 |
| Loans to Employees   | 3073103          | 2900558         |
| Prepaid Expenses   | 837993           | 5148668         |
|  | <b>3911096</b>   | <b>8049226</b>  |
| <b>17 Others Current Assets</b>  |                  |                 |
| Central Excise Duty Deposit  | 1135842          | 2718143         |
| Central Excise Duty Deposit stk trf  | 309783           | 172454          |
| Deposit Against Sales Tax Appeal   | 35000            | 35000           |
| Excise Duty Deposit (Under Dispute)  | 3321766          | 3321766         |
| Service tax deposit  | 1655207          | 1096054         |
| Service tax Receivable A/c   | 56791            | 132119          |
| Sales Tax Appeal (02-03)   | 250000           | 250000          |
| Sales Tax Appeal (03-04)   | 300000           | 300000          |
| Sales Tax Appeal (04-05)   | 50000            | 50000           |
| Sales Tax Appeal ( 08-09)  | 20000            | 20000           |
| Water Charges Receivable   | -                | 22045           |
| Interest Receivable  | 187050           | 206438          |
| Insurance Claim Receivable   | 976009           | -               |
| Excise Duty Drawback   | -                | 169342          |
| Advance to Non Trade Suppliers   | 760054           | 106742          |
| Advance to Trade Suppliers   | 17506615         | 7018578         |
|  | <b>26564116</b>  | <b>15618681</b> |



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

**Notes forming part of the financial statements**

|  | 31.03.2016<br>₹   | 31.03.2015<br>₹   |
|--|-------------------|-------------------|
| <b>18 Revenue From Operation (Gross)</b>                               |                   |                   |
| Sales of Products  | 1600904685        | 1359292946        |
| Job Work   | 83498582          | 56647305          |
| Export Sales   | 119319296         | 155261486         |
| Excise Duty & Cess   | 201256532         | 174072151         |
| Excise Duty Drawback   | 1966840           | 2895073           |
|  | <u>2006945934</u> | <u>1748168961</u> |
| <b>19 Other Income</b>   |                   |                   |
| Exchange Rate Difference   | 1015468           | -                 |
| Interest Income  | 2066894           | 1347246           |
| Sales of Scrap   | 653320            | 855530            |
| Other Income (Insurance claim +bonus recd)                             | 2585371           | -                 |
| Sales Tax Refund   | -                 | 134806            |
| Sundry Balances Written off/back                                       | 56738             | -                 |
| Surplus on Sales of Fixed Assets                                       | 7367              | 18667.00          |
|  | <u>6385157</u>    | <u>2356249</u>    |
| <b>20 Cost Of Raw Material Consumed</b>                                |                   |                   |
| Alu. Ingots  | 708023916         | 707194292         |
| Alu. Foils   | 51040597          | 58933408          |
| Steric Acid  | 19586882          | 19570781          |
| M.T.O./Solvent Naptha/M.E.G.   | 24504203          | 28683123          |
| Manganese/Magnetite  | 30281810          | 38762340          |
| Alu.Wire Rod / Alloys  | 365544011         | 204320878         |
| Iron Non Alloy Steel Reinforce   | 69848829          | 51370713          |
|  | <u>1268830248</u> | <u>1108835536</u> |
| <b>21 Change In Inventories Of Finished Goods and Stock In Process</b> |                   |                   |
| <b>Finished Goods</b>  |                   |                   |
| Opening Stock  | 107075140         | 134458598         |
| Closing Stock  | 109260007         | 107075140         |
|  | <u>2184867</u>    | <u>(27383458)</u> |
| <b>Stock In Process</b>  |                   |                   |
| Opening Stock  | 4385220           | 8202352           |
| Closing Stock  | 4593015           | 4385220           |
|  | <u>207795</u>     | <u>(3817132)</u>  |
| <b>22 Employee Benefit Expenses</b>                                    |                   |                   |
| Salaries, Wages & Bonus  | 66414252          | 50914109          |
| Contribution to PF & Other Funds                                       | 5226608           | 4705427           |
| Allowances & Fringe benefits   | 35454498          | 29489167          |
| Staff and labour Welfare Expenses                                      | 1339398           | 1505286           |
|  | <u>108434756</u>  | <u>86613989</u>   |
| <b>23 Finance Cost</b>   |                   |                   |
| Interest expense   | 49641678          | 51099719          |
| Bank Charges   | 4562542           | 4628250           |
| Applicable loss on Foreign Currency transaction and Translation        | 12045069          | 4721801           |
|  | <u>66249289</u>   | <u>60449770</u>   |
| <b>24 Depreciation and Amortization</b>                                |                   |                   |
| Depreciation of Tangible Assets  | 16168523          | 15098420          |
|  | <u>16168523</u>   | <u>15098420</u>   |



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

**Notes forming part of the financial statements**

|  | 31.03.2016       | 31.03.2015      |
|--|------------------|-----------------|
|  | ₹                | ₹               |
| <b>25 Other Expenses</b>                   |                  |                 |
| <b>Manufacturing Expenses</b>              |                  |                 |
| Stores Consumed                            | 32000008         | 2388            |
| Packing Material Consumed                  | 51157691         | 4543            |
| Power & Fuel                               | 105847631        | 8796            |
| Repair to Machinery                        | 2140319          | 472             |
| Repair to Building                         | 5892903          | 178             |
| Computers and Other                        | 85685            | 190             |
| <b>Total (a)</b>                           | <u>197124237</u> | <u>163981</u>   |
| <b>Establishment Expenses</b>              |                  |                 |
| Garden Development Expenses                | 27975            | 691             |
| Rates & Taxes                              | 793961           | 11410           |
| Insurance Expenses                         | 2216736          | 14520           |
| Advertisement                              | 151925           | 1361            |
| Books and periodicals                      | 15893            | 126             |
| Conveyance                                 | 599866           | 7839            |
| General Charges                            | 409714           | 2991            |
| Legal & Professional Charges               | 3034130          | 288810          |
| Office & Other Expenses                    | 2225543          | 149430          |
| Due Delligence Expense                     | -                | 462750          |
| Postage, Telegram & Telephone              | 1524632          | 131863          |
| Printing & Stationery                      | 995136           | 65533           |
| Pollution Control Expenses                 | 195451           | 45898           |
| Rent Charges                               | 90000            | 90000           |
| Security Service Charges                   | 2593750          | 2439950         |
| Light & Water Charges                      | 332699           | 467015          |
| Technical Consultancy Charges-Others       | 3027129          | 3579882         |
| Travelling Expenses                        | 1904479          | 2107272         |
| Vehicle Expenses                           | 1455576          | 1019397         |
| Expenses on Live Stock                     | 47851            | 34291           |
| Bad Debts Written Off                      | 1185865.00       | 5202887         |
| Sundry Balance W/off                       | -                | 364935          |
| CSR Activity                               | 171000           | -               |
| Transit Loss                               | -                | 9405            |
| Donation                                   | -                | 112000          |
| <b>Total (b)</b>                           | <u>22999312</u>  | <u>31386595</u> |
| <b>Selling &amp; Distribution Expenses</b> |                  |                 |
| Freight Outwards                           | 4309805          | 4320347         |
| Export Freight & Shipment                  | 2624612          | 2976072         |
| Seminar & Confrence Exp.                   | 32020            | 22869           |
| Excise Duty Expenses                       | 448              | 127612          |
| Vat Tax/Sales Tax Expenses                 | 815466           | 290364          |
| Service Tax GTA                            | 375255           | 696864          |
| Sampling/Analysis Charges                  | 318122           | 416343          |
| Selling Expenses                           | 801087           | 464844          |
| Commission & Discount                      | 2630335          | 3311267         |
| Exchange Rate Difference                   | -                | 850147          |
| Royalty                                    | 2052663          | 3281149         |
| <b>Total (c)</b>                           | <u>13959814</u>  | <u>16757878</u> |
| <b>Audit Fees Incl. Tax audit fees</b>     | 45000            | 40000           |
| <b>Total (d)</b>                           | <u>45000</u>     | <u>40000</u>    |
| <b>Total (a+b+c+d)</b>                     | <u>231128262</u> | <u>31528595</u> |

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## Notes forming part of the financial statements

### 20.1 Raw Material Consumed

Raw Material -Indigenous consumption  
Raw Material -Imported consumption

| ₹. in lacs      | %              | ₹. in lacs      | %              |
|-----------------|----------------|-----------------|----------------|
| 12676.43        | 99.91%         | 11078.63        | 99.91%         |
| 11.87           | 0.09%          | 9.73            | 0.09%          |
| <b>12688.30</b> | <b>100.00%</b> | <b>11088.36</b> | <b>100.00%</b> |

### 25.1 Stores & Spares Consumed

Stores & spares -Indigenous consumption  
Stores & spares -Imported consumption

| ₹. in lacs    | %           | ₹. in lacs    | %           |
|---------------|-------------|---------------|-------------|
| 320.00        | 100%        | 238.88        | 100%        |
| <b>320.00</b> | <b>100%</b> | <b>238.88</b> | <b>100%</b> |

### 25.2 Packing Material Consumed

Packing -Indigenous consumption  
Packing -Imported consumption

| ₹. in lacs    | %           | ₹. in lacs    | %           |
|---------------|-------------|---------------|-------------|
| 511.78        | 100%        | 454.36        | 100%        |
| <b>511.78</b> | <b>100%</b> | <b>454.36</b> | <b>100%</b> |

### 25.3 Payment To Auditor

Audit fee  
Tax audit fee

|              |              |
|--------------|--------------|
| 30000        | 25000        |
| 15000        | 15000        |
| <b>45000</b> | <b>40000</b> |

## 26 Related Party Disclosure

a) Name of related parties and description of relationship

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

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

| Particulars                  | Related Enterprises | Key Management Personnel | Relative of Key Management Personnel |
|------------------------------|---------------------|--------------------------|--------------------------------------|
| Sale of Goods                | 126.07              |                          |                                      |
| Rent                         | 0.90                |                          |                                      |
| Remuneration                 |                     | 55.68                    |                                      |
| Salaries & Perquisites       |                     |                          | 39.10                                |
| Legal & Professional Charges |                     |                          | 12.00                                |

## 27 Contingent Liabilities (Amt.in lacs)

1. Guarantee given by the Company's Bankers  
2. Bills discounted with the company's banker under letter of credit  
3. Sales Tax Demand pending with Appellate Authorities  
4. Income Tax Demand and appeal pending with CIT  
5. Central Excise duty & Service Tax Demand pending with additional Commissioner Nagpur II

|        |        |
|--------|--------|
| 83.56  | 215.63 |
| 701.25 | 505.03 |
| 97.93  | 135.81 |
| 1.84   |        |
| 46.19  | 28.68  |

## 28 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹.Nil lacs ( P.Y. ₹ 98.55 lacs)

## 29 SEGMENT REPORTING

### Primary Segment Reporting (by Business Segment)

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

Aluminium Powders & Paste : Aluminium Powder, Aluminium Paste and Atomised Powder  
Aluminium Conductor : Aluminium Conductor  
Others : Manganese Oxide, washer, circlips & coal

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

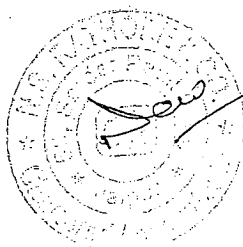
Rs. In Lacs

### Information about Business Segments:

| Particulars                         | Current Year             |                     |            |              | Previous Year            |                     |            |              |
|-------------------------------------|--------------------------|---------------------|------------|--------------|--------------------------|---------------------|------------|--------------|
|                                     | Aluminium Powder & Paste | Aluminium Conductor | Others     | Total        | Aluminium Powder & Paste | Aluminium Conductor | Others     | Total        |
| <b>REVENUE</b>                      |                          |                     |            |              |                          |                     |            |              |
| Gross Sales                         | 13951                    | 5384                | 735        | 20069        | 13352                    | 3353                | 790        | 17495        |
| <b>Total Revenue</b>                | <b>13951</b>             | <b>5384</b>         | <b>735</b> | <b>20069</b> | <b>13352</b>             | <b>3353</b>         | <b>790</b> | <b>17495</b> |
| <b>RESULTS</b>                      |                          |                     |            |              |                          |                     |            |              |
|                                     | 1705                     | 378                 | 77         | 2160         | 1421                     | 97                  | 19         | 1537         |
| Unallocated expense net off         |                          |                     |            |              |                          |                     |            |              |
| Unallocated Income                  |                          |                     |            | 302          |                          |                     |            | 319          |
| <b>Operating Profit</b>             |                          |                     |            | <b>1858</b>  |                          |                     |            | <b>1219</b>  |
| Financial Cost                      |                          |                     |            | 662          |                          |                     |            | 608          |
| <b>Profit Before Tax</b>            |                          |                     |            | <b>1196</b>  |                          |                     |            | <b>611</b>   |
| Current Tax                         |                          |                     |            | 300          |                          |                     |            | 130          |
| Deferred Tax                        |                          |                     |            | 80           |                          |                     |            | 66           |
| Income Tax relating to earlier year |                          |                     |            | 0            |                          |                     |            | 28           |
| <b>Profit After Tax</b>             |                          |                     |            | <b>815</b>   |                          |                     |            | <b>387</b>   |

### OTHER INFORMATION

|   |      |      |     |             |      |      |     |             |
|---|------|------|-----|-------------|------|------|-----|-------------|
| Segment Assets                                      | 5553 | 1712 | 350 | 7615        | 5653 | 1620 | 412 | 7685        |
| Unallocated Corporate Assets                        |      |      |     | 1325        |      |      |     | 1012        |
| <b>Total Assets</b>                                 |      |      |     | <b>8940</b> |      |      |     | <b>8696</b> |
| Segment Liabilities                                 | 889  | 161  | 39  | 1090        | 1497 | 5    | 37  | 1538        |
| Unallocated Corporate Liabilities                   |      |      |     | 4671        |      |      |     | 4801        |
| <b>Total Liabilities</b>                            |      |      |     | <b>5761</b> |      |      |     | <b>6339</b> |
| Capital Expenditure                                 | 266  | 53   | 16  | 336         | 1004 | 1    | 12  | 1017        |
| Unallocated Corporate Assets                        |      |      |     | 0           |      |      |     | 184         |
| <b>Total Capital Expenditure</b>                    |      |      |     | <b>336</b>  |      |      |     | <b>1201</b> |
| Depreciation & Amortisation                         | 91   | 38   | 15  | 143         | 72   | 40   | 21  | 134         |
| Unallocated Corporate Depreciation and Amortisation |      |      |     | 18          |      |      |     | 17          |
| <b>Total Depreciation &amp; Amortisation</b>        |      |      |     | <b>161</b>  |      |      |     | <b>151</b>  |



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

**Notes forming part of the financial statements**

**30 Foreign Exchange Earning & Outgo**

**Earning in foreign exchange**

| Particulars                  | 2015-16 | 2014-15 |
|------------------------------|---------|---------|
| FOB Value of Export (Direct) | 1193    | 1552.61 |

**Foreign Exchange outgo**

| Particulars                             | 2015-16 | 2014-15 |
|---|---------|---------|
| Value of import calculated on cif basis |         |         |
| Raw Materials                           | 13      | 16      |
| Capital Goods                           | 6       | 47      |
| Trading Goods                           | -       | -       |
| Expenditure in foreign currency         |         |         |
| Travelling Expense                      | 8       | 3       |
| Royalty                                 | 21      | 30      |
| Commision                               | 14      | 17      |

**31 Earnings per Share (EPS)**

|  |          |         |
|--|----------|---------|
| Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹) | 81494461 | 3873292 |
| Nominal Value of Equity Shares (₹)   | 10       | 1       |
| Weighted average number of Equity Shares used as denominator for calculating EPS               | 8290050  | 829005  |
| Basic and Diluted Earnings per Share (₹)   | 9.83     | 4.6     |

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

**SIGNATURE TO NOTE "1" TO "32"**

AS PER OUR REPORT OF EVEN DATE ATTACHED

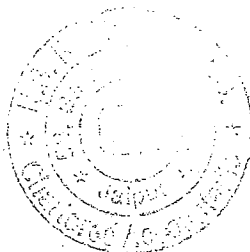
For N.S.Rathore & Co,  
Chartered Accountants  
FRN -012414C

*N.S. Rathore*

N.S.VYAS  
Partner  
Membership No.-010937

Place : Jaipur

Date :23/08/2016



For and on behalf of the board

*Arun Bhandari*  
(ARUN BHANDARI)  
Managing Director

*Lalit Bhandari*  
(LALIT BHANDARI)  
Director

Place : Nagpur

Date :23/08/2016

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MMP INDUSTRIES LIMITED**

**(Formerly Known as Maharashtra Metal Powders Ltd.)**

**Report on the Consolidated Financial Statement**

We have audited the accompanying financial statements of MMP Industries Limited (Formerly Known as Maharashtra Metal Powders Ltd.) ("the Holding Company"), and its associates (collectively "referred to as "the Company" or "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial Statements").

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

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

**Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the



*New*

N.S. VYAS F.C.A.

NIRAJ RATHORE A.C.A.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31<sup>st</sup> March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

The consolidated financial statements also include the Group's share of net profit of ₹ 109.19 lakh for the year ended 31<sup>st</sup> March, 2016 as considered in the consolidated financial statements, in respect of associate M/s Star Circlips & Engineering Limited whose share profit ₹ 109.12 lakh and M/s Mayank Fasteners Private Limited whose share of profit of ₹ 0.07 lakhs for the year ended on that date, whose financial statement/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our reports in terms of sub-section (3) and (11) of section 143 of the Act insofar as it relates the aforesaid associates, is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.



# N.S. RATHORE & CO.

CHARTERED ACCOUNTANTS

Phone : 2375728

2361830

59, Sardar Patel Marg

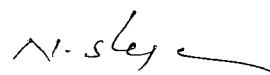
Jaipur-302 001

N.S. VYAS F.C.A.

NIRAJ RATHORE A.C.A.

- b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
- c) the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) in our opinion, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014;
- e) on the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer our separate report in "Annexure A".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 29 to the consolidated financial statements;
  - the Holding Company did not have any long term contracts; and
  - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company by the Holding Company Incorporated in India.

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



**(N.S. VYAS)**  
**PARTNER**

**Membership No. 010937**

**PLACE: JAIPUR**

**DATE : 23/08/2016**



N.S. VYAS F.C.A.

NIRAJ RATHORE A.C.A.

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

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

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

We have audited the internal financial controls over financial reporting of MMP Industries Limited ("the Holding Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

**AUDITOR'S RESPONSIBILITY**

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

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



N.S. VYAS F.C.A.

NIRAJ RATHORE A.C.A.

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31, 2016, 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".

Place : Jaipur

Date : 23/08/2016

For N.S. RATHORE &amp; COMPANY

Chartered Accountants

(Registration No. 012414C)

(N.S. VYAS)

PARTNER

Membership No. F10937



**MMP INDUSTRIES LIMITED**  
(Formerly known as Maharashtra Metal Powders Limited)  
**Consolidated Balance Sheet as at March 31, 2016**

|                                | Note No. | As at 31st<br>March, 2016<br>(Amount in ₹.) | As at 31st<br>March, 2015<br>(Amount in ₹.) |
|--------------------------------|----------|---|---|
| <b>EQUITY AND LIABILITIES</b>  |          |   |   |
| <b>Shareholder's Funds :</b>   |          |   |   |
| Share Capital                  | 2        | 82900500                                    | 82900500                                    |
| Reserve & Surplus              | 3        | 289127842                                   | 152830264                                   |
|                                |          | <u>372028342</u>                            | <u>235730764</u>                            |
| <b>Non-current Liabilities</b> |          |   |   |
| Long Term Borrowing            | 4        | 83129694                                    | 117265019                                   |
| Deferred Tax Liabilities       | 5        | 38591729                                    | 30559122                                    |
|                                |          | <u>121721423</u>                            | <u>147824141</u>                            |
| <b>Current Liabilities</b>     |          |   |   |
| Short-term borrowings          | 6        | 280667072                                   | 276750229                                   |
| Trade payables                 | 7        | 93091815                                    | 150763579                                   |
| Other current liabilities      | 8        | 71583637                                    | 55804638                                    |
| Short-term provisions          | 9        | 9022106                                     | 2741876                                     |
|                                |          | <u>454364629</u>                            | <u>486060323</u>                            |
| <b>TOTAL</b>                   |          | <u><b>948114395</b></u>                     | <u><b>869615228</b></u>                     |
| <b>ASSETS</b>                  |          |   |   |
| <b>Non Current Assets</b>      |          |   |   |
| <b>Fixed Assets</b>            |          |   |   |
| Tangible Assets                | 10       | 367452451                                   | 338405049                                   |
| Intangible Assets              | 10       | 27500                                       | 27500                                       |
| Capital Work-in-Progress       | 10       | 8694962                                     | 20350942                                    |
|                                |          | <u>376174913</u>                            | <u>358783490</u>                            |
| Non current investment         | 11       | 65181006                                    | 11154890                                    |
| Long-term loans and advances   | 12       | 3636550                                     | 2586070                                     |
|                                |          | <u>68817556</u>                             | <u>13740960</u>                             |
| <b>Current Assets</b>          |          |   |   |
| Inventories                    | 13       | 185750087                                   | 194165809                                   |
| Trade Receivable               | 14       | 272158628                                   | 277367092                                   |
| Cash & Bank Balances           | 15       | 14737998                                    | 1889970                                     |
| Short Term Loans & Advances    | 16       | 3911096                                     | 8049226                                     |
| Other Current Assets           | 17       | 26564116                                    | 15618681                                    |
|                                |          | <u>503121925</u>                            | <u>497090778</u>                            |
| <b>TOTAL</b>                   |          | <u><b>948114395</b></u>                     | <u><b>869615228</b></u>                     |

**SIGNIFICANT ACCOUNTING POLICIES**

1

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

As per our report of even date attached

For N.S. RATHORE & CO.

Chartered Accountants

(FRN-012414C)



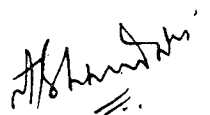
(N.S. Vyas)

Partner (M.No.-010937)

Place : Jaipur

Date : 23/08/2016

For and on behalf of the board



(ARUN BHANDARI)

Managing Director

Place : Nagpur

Date : 23/08/2016



(LALIT BHANDARI)

Director

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

**Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

|  | Note No. | Year Ended<br>March, 2016<br>(Amount in ₹.) | Year Ended<br>March, 2015<br>(Amount in ₹.) |
|--|----------|---|---|
| <b>INCOME</b>  |          |   |   |
| Revenue from operations(Gross)   | 18       | 2006945934                                  | 1748168961                                  |
| Less: Excise Duty  |          | 201256532                                   | 174072151                                   |
| Revenue from operations(Net)   |          | <u>1805689402</u>                           | <u>1574096810</u>                           |
| Other Income   | 19       | <u>6385157</u>                              | <u>2356249</u>                              |
| <b>TOTAL INCOME</b>  |          | <u><b>1812074560</b></u>                    | <u><b>1576453059</b></u>                    |
| <b>EXPENDITURE</b>   |          |   |   |
| Cost of Material Consumed  | 20       | 1268830248                                  | 1108835536                                  |
| Purchase of Stock-in -Trade  |          | 1145000                                     | 976719                                      |
| Changes in inventories of finished goods,work-in-progress and Stock-in-Trade | 21       | (2392662)                                   | 31200590                                    |
| Employee benefit expenses  | 22       | 108434756                                   | 86613989                                    |
| Financial Cost   | 23       | 66249289                                    | 60449770                                    |
| Depreciation and amortization expenses                                       | 24       | 16168523                                    | 15098420                                    |
| Others Expenses  | 25       | 234128363                                   | 212166218                                   |
| <b>TOTAL EXPENDITURE</b>   |          | <u><b>1692563518</b></u>                    | <u><b>1515341242</b></u>                    |
| <b>PROFIT BEFORE TAX</b>   |          | <b>119511042</b>                            | <b>61111817</b>                             |
| <b>TAX EXPENSE :</b>   |          |   |   |
| Current Tax  |          | 30000000                                    | 13000000                                    |
| Deferred Tax   |          | 8032607                                     | 6571815                                     |
| Income Tax relating to earlier year  |          | (16026)                                     | 2807078                                     |
| <b>PROFIT FOR THE YEAR</b>   |          | <u><b>81494461</b></u>                      | <u><b>38732924</b></u>                      |
| Add: Share of profit from associates   |          | <u>10918993</u>                             |   |
| <b>NET PROFIT FOR THE YEAR</b>   |          | <u><b>92413455</b></u>                      | <u><b>38732924</b></u>                      |
| <b>EARNING PER EQUITY SHARE</b>  |          |   |   |
| Basic and Diluted ( in ₹)  |          | <b>11.15</b>                                | <b>4.67</b>                                 |

**SIGNIFICANT ACCOUNTING POLICIES**

1

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

As per our report of even date attached

For N.S. RATHORE & CO.

Chartered Accountants

(FRN-012414C)



(N.S. Vyas)

Partner (M.No.- 010937)

Place : Jaipur

Date : 23/08/2016

For and on behalf of the board

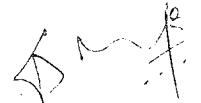


(ARUN BHANDARI)

Managing Director

Place : Nagpur

Date : 23/08/2016



(LALIT BHANDARI)

Director

**MMP INDUSTRIES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

|           | PARTICULARS   | Year Ended<br>31.03.2016<br>₹ | Year Ended<br>31.03.2015<br>₹ |
|-----------|---|-------------------------------|-------------------------------|
| <b>A.</b> | <b>Cash Flow from Operating Activities</b>                    |                               |                               |
|           | Profit before taxation as per P&L Account                     | 119511042                     | 61111817                      |
|           | Adjustments for   |                               |                               |
|           | Depreciation  | 16168523                      | 15098420                      |
|           | Interest Income   | (2066894)                     | (1347246)                     |
|           | Finance Cost  | 54204220                      | 55727969                      |
|           | Unrealised Gain/(Loss) on Foreign Exchange Fluctuation        | 12045069                      | 4721801                       |
|           | Profit/loss on sale of fixed Assets                           | (7367)                        | (18667)                       |
|           | Profit/loss on sale of Investments                            |                               |                               |
|           | <b>Operating profit before working capital Changes</b>        | <b>199854594</b>              | <b>135294094</b>              |
|           | (Increase) decreased in inventories                           | 8415722                       | 30039235.02                   |
|           | (Increase) decreased in trade and other receivables           | 5208464.09                    | (92289255)                    |
|           | (Increase) decreased in Loans and advances                    | 3087649.90                    | (4655218)                     |
|           | (Increase) decreased in other current assets                  | (10945436)                    | 674596                        |
|           | Increased/(decreased) in Current Liabilities                  | (40588246)                    | 9781272                       |
|           | Sales Tax Incentive Received                                  | 777000                        | 7,55,000.00                   |
|           | <b>Cash Generated from Operation</b>                          | <b>165809748</b>              | <b>79599724</b>               |
|           | Direct taxes Paid   | (23703744)                    | (14696164)                    |
|           | <b>Net Cash from operating activities</b>                     | <b>142106004</b>              | <b>64903560</b>               |
| <b>B</b>  | <b>Cash flow from Investing Activities</b>                    |                               |                               |
|           | Investment in Fixed Assets including Capital WIP              | (33559946)                    | (121323286)                   |
|           | Sales of fixed Assets   | 7367                          | 18667                         |
|           | Increase/Decrease in investments                              | -                             | -                             |
|           | Interest received   | 2066894                       | 1347246                       |
|           | <b>Net Cash used in investing Activities</b>                  | <b>(31485685)</b>             | <b>(119957372.51)</b>         |
| <b>C.</b> | <b>Cash flow from financing Activities</b>                    |                               |                               |
|           | Financial Cost  | (66249289)                    | (60449770)                    |
|           | Term loan Received  | -                             | 74335652                      |
|           | Repayment of Term loan  | (28472022)                    | (15550830)                    |
|           | Short Term Borrowing  | 3916842                       | 49050246                      |
|           | Long term Unsecured Loan from others                          | -6967822                      | 6229013.18                    |
|           | <b>Net cash from Financing Activities</b>                     | <b>(97772291)</b>             | <b>53614311.62</b>            |
|           | <b>Net increase/decrease in Cash and cash equivalent</b>      | <b>12848027</b>               | <b>(1439501)</b>              |
|           | <b>Cash and Cash equivalents at the beginning of the year</b> | <b>1889970</b>                | <b>3329472</b>                |
|           | <b>Cash and Cash equivalents at the End of the year</b>       | <b>14737998</b>               | <b>1889970</b>                |

**Note : Figure in brackets represent outflows.**

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

*N.S. Rathore*

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

Place : Jaipur  
Date : 23/08/2016

*Arun Bhandari*

(Arun Bhandari)  
Managing Director

Place : Nagpur  
Date : 23/08/2016

*Lalit Bhandari*

(Lalit Bhandari)  
Director

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## 28 Consolidated Related Party Disclosure

a) Name of related parties and description of relationship

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

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

|  |        |        |
|--|--------|--------|
| 1. Guarantee given by the Company's Bankers  | 83.56  | 215.63 |
| 2. Bills discounted with the company's banker under letter of credit                       | 701.25 | 505.03 |
| 3. Sales Tax Demand pending with Appellate Authorities                                     | 97.93  | 135.81 |
| 4. Income Tax Demand and appeal pending with CIT   | 1.84   | -      |
| 5. Central Excise duty & Service Tax Demand pending with additional Commissioner Nagpur II | 46.19  | 28.68  |

## 28 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹.Nil lacs ( P.Y. ₹.98.55 lacs)

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

SIGNATURE TO NOTE "1" TO "29"

AS PER OUR REPORT OF EVEN DATE ATTACHED

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



N.S.VYAS  
Partner  
Membership No.-010937  
Place : Jaipur  
Date :23/08/2016

For and on behalf of the board



(ARUN BHANDARI)  
Managing Director



(LALIT BHANDARI)  
Director

Place : Nagpur  
Date :23/08/2016

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

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

| <u>Name of the company</u>           | <u>Country of incorporation</u> | <u>% Shareholding</u> | <u>Consolidated as</u> |
|--------------------------------------|---------------------------------|-----------------------|------------------------|
| Star Circlips & Engineering Ltd.     | India                           | 26.06%                | Associate              |
| M/s Mayank Fasteners Private Limited | India                           | 26.97%                | Associate              |

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

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



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

**2 Share Capital**

**Authorised**

85,00,000 Equity Share of ₹ 10/-  
each (P.Y. 85,00,000 Equity Share of ₹ 10 each )

As at 31st  
March, 2016

As at 31st  
March, 2015

85000000

85000000

**Issued, Subscribed & Paid Up**

82,90,050 Equity Shares of ₹ 10/- each fully Paid Up

82900500

82900500

82900500

82900500

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

| Name of the Shareholder    | 31.03.2016        |        | 31.03.2015        |        |
|----------------------------|-------------------|--------|-------------------|--------|
|                            | No. of Share held | %      | No. of Share held | %      |
| Shri Arun Bhandari         | 2825572           | 34.10% | 2717372           | 32.79% |
| Smt. Saroj Bhandari        | 1395893           | 16.84% | 1395893           | 16.84% |
| Mayank Fasteners Pvt. Ltd. | 928750            | 11.20% | 928750            | 11.20% |

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

| Particulars                                     | 31.03.2016    | 31.03.2015    |
|---|---------------|---------------|
|   | No. of Shares | No. of Shares |
| Shares outstanding at the beginning of the year | 8290050       | 8290050       |
| Shares Issued during the year                   | -             | -             |
| Shares bought back during the year              | -             | -             |
| Shares outstanding at the end of the year       | 8290050       | 8290050       |

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

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

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

**3 Reserve & Surplus**

**Capital Reserve (SCI)**

|   |                 |                |
|---|-----------------|----------------|
| Balance as per last financial statements                            | 3255000         | 2500000        |
| Add : Sales Tax Incentive under PSI Scheme                          | 777000          | 755000         |
| Add : Capital reserve on change in interest in equity of associates | 43107123        |                |
| <b>Closing Balance</b>  | <b>47139123</b> | <b>3255000</b> |

**Revaluation Reserve**

|  |        |        |
|--|--------|--------|
| Balance as per last financial statements | 607817 | 607817 |
|--|--------|--------|

**General Reserve**

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

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

|  |                  |                  |
|--|------------------|------------------|
| Balance as per last financial statements | 108254525        | 69521601         |
| Add : Profit for the year                | 92413455         | 38732924         |
| <b>Closing Balance</b>                   | <b>200667980</b> | <b>108254525</b> |

**Total**

289127842

152830264

*Sw*

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

## 4 Long Term Borrowings

31.03.2016

31.03.2015

₹

₹

### 4.1 Term Loan

#### Secured

#### From Bank

Foreign Currency Loans

Less : current maturity (refer note-8)

Total (a)

88101213

111268671

29478647

26381976

58622566

84886695

#### From Bank

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (b)

Total (c)=(a)+(b)

1347116

1954905

523943

607788

823173

1347117

59445739

86233812

#### Secured

#### From Other's

Indian Rupee Loans

Less : current maturity (refer note-8)

Total (d)

226821

646766

226821

419945

-

226821

#### UnSecured

Indian Rupee Loans from others

Total (e)

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

13657178

20625000

13657178

20625000

73102917

107085632

### 4.2 Deferred Payment Liability

Sales Tax Deferment (unsecured)

Less : current maturity (refer note-8)

Total (g)

10179387

14456218

152610

4276831

10026777

10179387

### Total Long Term Borrowings

Total (f)+(g)

83129694

117265019

#### Term of Repayment

1. Term loan from Axis Bank ₹. 4.77 lacs carries interest @six month USD LIBOR + 480 basic points and is repayable in 34 instalment commencing from Oct.-13.
2. Term Loan from Axis Bank ₹.155.77 lacs carries interest @six month USD LIBOR + 480 basic points and is repayable in 42 instalment commencing from Oct.-13.
3. Term Loan from ICICI Bank ₹.718.50 lacs carries interest @three month LIBOR or Equivalent Benchmark and is repayable in 23 instalment commencing from Nov.-15
4. Term Loan for Vehicle from Banks and Others ₹.15.74lacs carries interest between 10.18% to 11.75% and is repayable as per schedule.
5. Loan from Other parties is a long term loan and are payable on demand.
6. Deferred Sales tax loan is interest free and the first instalment was started from the F.Y-2010-11 and the last installment will be paid by F.Y.2018-19

#### Security

1. The Term loan of ₹.4.77 lacs is secured by Hypothecation of entire movable assets including Plant and Machinery equipment etc.
2. The Term loan of ₹.155.77 lacs is secured by Hypothecation of movable assets including Plant and Machinery equipment etc
3. The Term loan of ₹.718.50 lacs is secured by Hypothecation of Factory Lands and Buildings situated at Maregaon, Neri, Hingna and Butibori.

#### Common Securities for above term loan from bank are :

- a. Factory land & building and immovable machineries of proposed unit II at K-61, MIDC Butibori, Nagpur.
  - b. Factory land & building and immovable machineries at Village Maregaon, Post shahpur, Dist. Bhandara.
  - c. Factory land & building situated at Sr.no.1016/2 part, Satona Neri Road, Village Neri, Mohad, Dist. Bhandara.
  - d. Factory land & building and immovable machineries at B-28 & Plot No.B28/1, Hingana Ind.Estate, Nagpur.
  - e. EM on Factory Land & Building at Survey No.43,55/1,56/1 & 56/2, PH No.06, Mouza Maregaon, Tal. & Dist.Bhandara
4. The Term loan of ₹.15.74 lacs is secured by Hypothecation of Vehicles.

### 5 Deferred Tax Liability (Net)

Deferred tax liabilities at the beginning of the year

30559122

23987307

Deferred tax liabilities during the year on account of timing difference

8032607

6571815

Deferred tax liabilities at the end of the year

38591729

30559122

*Dev*

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

**6 Short Term Borrowings**

**6.1 Loan repayable on demand (secured)**

**From Bank**

Foreign Currency Loans

153678388 138179453

Indian Rupee Loans

77111501 135525626

**Total Short Term Borrowings**

**Total (a)**

230789889 273705079

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

**6.2 Loans repayable on demand (unsecured)**

**From Bank**

Foreign Currency Loan (Buyer Credit)

3045150

Indian Rupee Loans (Channel Finance)

49877182

**Total (b)**

49877182 3045150

**Total Short Term Borrowings**

**Total (a) + (b)**

280667072 276750229

**7 Trade Payable**

\* Micro, Small and Medium Enterprises

Others (including acceptance)

93091815

150763579

93091815

150763579

\* Note : The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2016 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

**8 Other Current Liabilities**

Current maturities of long-term debt (Refer Note No.4)

30002590

26989764

Current maturities of long-term debt (Refer Note No.4)

152610

4276831

Current maturities of long-term debt (Refer Note No.4)

226821

419945

Interest accrued but not due on borrowings

860277

787507

Other Payables

17582105

4216086

Statutory Liabilities

6205793

4559133

Liabilities for Expenses

16553440

14555372

71583637

65804638

**9 Short Term Provision**

Income Tax Provision

9022106

2741876

(Net of Advance Tax)

9022106

2741876

**11 Non-Current Investments**

Trade Investments

Investment in equity instrument at cost (unquoted)

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

Investment in associates

998860 (P.Y.- 998860) Equity Shares of

63245392

8782890

M/s Star Clips & Engg. Ltd.

13440 (P.Y.-13440) Equity Shares of

1907615

1344000

Mayank Fasteners Pvt. Ltd.

Non-Trade Investments

Govt. Securities (At Cost)

7 Years National Saving Certificate

28000

28000

**TOTAL**

65181006

11154890

**12 Long Term Loan And Advances**

**Security Deposits**

Unsecured, considered good

3636550

2586070

**TOTAL**

3636550

2586070



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

## Notes on Consolidated Financial Statements for the year ended 31st March, 2016

### 10. FIXED ASSETS

#### Tangible Fixed Assets

| Sr. Particulars No.       | Gross Value as on 01/04/2015 | Addition during the Year | Deletion / Adjus. | Total value as on 31/03/2016 | Depreciation up to 31/03/2015 | Adjustment during the Year | Depreciation for the Year | Depreciation up to 31/03/2016 | Net Block as on 31/03/2016 | Net Block as on 31/03/2015 |
|---------------------------|------------------------------|--------------------------|-------------------|------------------------------|-------------------------------|----------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|
| 1 LAND                    |                              |                          |                   |                              |                               |                            |                           |                               |                            |                            |
| Lease Hold                | 9618804                      | 5364008                  | -                 | 14982812                     | -                             | -                          | -                         | -                             | 14982812                   | 9618804                    |
| Free Hold                 | 6452174                      | 4321900                  | -                 | 10774074                     | -                             | -                          | -                         | -                             | 10774074                   | 6452174                    |
| 2 Factory Building        | 161656389                    | 7957226                  | -                 | 169613616                    | 28857149                      | -                          | 5271771                   | 34128920                      | 135484695                  | 132799240                  |
| 3 Non - Factory Building  | 10435383                     | -                        | -                 | 10435383                     | 1927635                       | -                          | 158024                    | 2085659                       | 8349725                    | 8507749                    |
| 4 Furniture & Fixture     | 4272281                      | 442465                   | -                 | 4714746                      | 2620693                       | -                          | 333089                    | 2953762                       | 1760984                    | 1651588                    |
| 5 Plant & Machinery       | 292641390                    | 19259899                 | 826395            | 311074894                    | 120427215                     | 613762                     | 8919802                   | 128733255                     | 182341639                  | 172214175                  |
| 6 Electric Installation   | 10901698                     | 7645093                  | 136339            | 18410451                     | 9334907                       | 136339                     | 391422                    | 9589990                       | 8820462                    | 1566791                    |
| 7 Vehicles                | 12637825                     | -                        | -                 | 12637825                     | 7897313                       | -                          | 843772                    | 8741085                       | 3896540                    | 4740312                    |
| 8 Office & Lab. Equipment | 3164449                      | 298707                   | -                 | 3463156                      | 2515286                       | -                          | 174189                    | 2689475                       | 773681                     | 649163                     |
| 9 Computer                | 2557648                      | 139260                   | -                 | 2696908                      | 2416390                       | -                          | 76474                     | 2492864                       | 204043                     | 141257                     |
| 10 Holiday Resort         | 70400                        | -                        | -                 | 70400                        | 44456                         | -                          | -                         | 44456                         | 25944                      | 25944                      |
| 11 Live Stock             | 37852                        | -                        | -                 | 37852                        | -                             | -                          | -                         | -                             | 37852                      | 37852                      |
| <b>Total</b>              | 514446092                    | 45428558                 | 962735            | 558911916                    | 176041043                     | 750101                     | 16168523                  | 191459465                     | 367452451                  | 338405049                  |
| Previous Year             | 404799020                    | 109699484                | 52412             | 514446092                    | 160995035                     | 52412                      | 15098420                  | 176041043                     | 338405049                  | 243803984                  |
| Capital Work In Progress  | 20350942                     | 2844258                  | 14500237          | 8694962                      | -                             | -                          | -                         | -                             | 8694962                    | 8089981                    |

#### Intangible Fixed Assets

| Sr. Particulars No.  | Gross Value as on 01/04/2015 | Addition during the Year | Deletion / Adjus. | Total value as on 31/03/2016 | Depreciation up to 31/03/2015 | Adjustment during the Year | Depreciation for the Year | Depreciation up to 31/03/2016 | Net Block as on 31/03/2016 | Net Block as on 31/03/2015 |
|----------------------|------------------------------|--------------------------|-------------------|------------------------------|-------------------------------|----------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|
| 1 Good Will          | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |
| <b>Total</b>         | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |
| Previous Year Figure | 27500                        | -                        | -                 | 27500                        | -                             | -                          | -                         | -                             | 27500                      | 27500                      |

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

|  | 31.03.2016       | 31.03.2015       |
|--|------------------|------------------|
|  | ₹                | ₹                |
| <b>Current Assets</b>  |                  |                  |
| <b>13 Inventories</b>  |                  |                  |
| Stores & Spares  | 11807108         | 13958707         |
| Packing Materials  | 7273695          | 8140827          |
| Raw Materials  | 52816262         | 60605916         |
| Finished Goods   | 109260007        | 107075140        |
| Stock in Process   | 4593015          | 4385220          |
|  | <u>185750087</u> | <u>194165809</u> |
| <b>14 Trade Receivable</b>   |                  |                  |
| Trade recivables outstanding for a period exceeding six month from the date they are due for payment |                  |                  |
| Unsecured but Considered Good  | 22905531         | 5832910          |
|  | <u>22905531</u>  | <u>5832910</u>   |
| Trade recivables outstanding for a period less than six month from the date they are due for payment |                  |                  |
| Others - Unsecured but Considered Good   | 249253096        | 271534182        |
|  | <u>249253096</u> | <u>271534182</u> |
| <b>Total</b>   | <u>272158628</u> | <u>277367092</u> |
| <b>15 Cash &amp; Bank Balances :</b>   |                  |                  |
| Cash in hand   | 887295           | 896114           |
| Balance with Bank in current a/c's   | 13850702         | 993856           |
|  | <u>14737998</u>  | <u>1889970</u>   |
| <b>16 Short Term Loans And Advances</b>  |                  |                  |
| (Unsecured, considered good)   |                  |                  |
| Loans to Employees   | 3073103          | 2900558          |
| Prepaid Expenses   | 837993           | 5148668          |
|  | <u>3911096</u>   | <u>8049226</u>   |
| <b>17 Others Current Assets</b>  |                  |                  |
| Central Excise Duty Deposit  | 1135842          | 2718143          |
| Central Excise Duty Deposit stk trf  | 309783           | 172454           |
| Deposit Against Sales Tax Appeal   | 35000            | 35000            |
| Excise Duty Deposit (Under Dispute)  | 3321766          | 3321766          |
| Service tax deposit  | 1655207          | 1096054          |
| Service tax Receivable A/c   | 56791            | 132119           |
| Sales Tax Appeal (02-03)   | 250000           | 250000           |
| Sales Tax Appeal (03-04)   | 300000           | 300000           |
| Sales Tax Appeal (04-05)   | 50000            | 50000            |
| Sales Tax Appeal ( 08-09)  | 20000            | 20000            |
| Water Charges Receivable   | -                | 22045            |
| Interest Receivable  | 187050           | 206438           |
| Insurance Claim Receivable   | 976009           | -                |
| Excise Duty Drawback   | -                | 169342           |
| Advance to Non Trade Suppliers   | 760054           | 106742           |
| Advance to Trade Suppliers   | 17506615         | 7018578          |
|  | <u>26564116</u>  | <u>15618681</u>  |

**MMP INDUSTRIES LIMITED**  
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|  | 31.03.2016<br>₹   | 31.03.2015<br>₹   |
|--|-------------------|-------------------|
| <b>18 Revenue From Operation (Gross)</b>                               |                   |                   |
| Sales of Products  | 1600904685        | 1359292946        |
| Job Work   | 83498582          | 56647305          |
| Export Sales   | 119319296         | 155261486         |
| Excise Duty & Cess   | 201256532         | 174072151         |
| Excise Duty Drawback   | 1966840           | 2895073           |
|  | <b>2006945934</b> | <b>1748168961</b> |
| <b>19 Other Income</b>   |                   |                   |
| Exchange Rate Difference   | 1015468           | -                 |
| Interest Income  | 2066894           | 1347246           |
| Sales of Scrap   | 653320            | 855530            |
| Other Income (Insurance claim +bonus recd)                             | 2585371           | -                 |
| Sales Tax Refund   | -                 | 134806            |
| Sundry Balances Written off/back                                       | 56738             | -                 |
| Surplus on Sales of Fixed Assets                                       | 7367              | 18667.00          |
|  | <b>6385157</b>    | <b>2356249</b>    |
| <b>20 Cost Of Raw Material Consumed</b>                                |                   |                   |
| Alu. Ingots  | 708023916         | 707194292         |
| Alu. Foils   | 51040597          | 58933408          |
| Steric Acid  | 19586882          | 19570781          |
| M.T.O./Solvent Naptha/M.E.G.   | 24504203          | 28683123          |
| Manganese/Magnetite  | 30281810          | 38762340          |
| Alu.Wire Rod / Alloys  | 365544011         | 204320878         |
| Iron Non Alloy Steel Reinforce   | 69848829          | 51370713          |
|  | <b>1268830248</b> | <b>1108835536</b> |
| <b>21 Change In Inventories Of Finished Goods and Stock In Process</b> |                   |                   |
| <b>Finished Goods</b>  |                   |                   |
| Opening Stock  | 107075140         | 134458598         |
| Closing Stock  | 109260007         | 107075140         |
|  | <b>2184867</b>    | <b>(27383458)</b> |
| <b>Stock In Process</b>  |                   |                   |
| Opening Stock  | 4385220           | 8202352           |
| Closing Stock  | 4593015           | 4385220           |
|  | <b>207795</b>     | <b>(3817132)</b>  |
| <b>22 Employee Benefit Expenses</b>                                    |                   |                   |
| Salaries, Wages & Bonus  | 66414252          | 50914109          |
| Contribution to PF & Other Funds                                       | 5226608           | 4705427           |
| Allowances & Fringe benefits   | 35454498          | 29489167          |
| Staff and labour Welfare Expenses                                      | 1339398           | 1505286           |
|  | <b>108434756</b>  | <b>86613989</b>   |
| <b>23 Finance Cost</b>   |                   |                   |
| Interest expense   | 49641678          | 51099719          |
| Bank Charges   | 4562542           | 4628250           |
| Applicable loss on Foreign Currency transaction and Translation        | 12045069          | 4721801           |
|  | <b>66249289</b>   | <b>60449770</b>   |
| <b>24 Depreciation and Amortization</b>                                |                   |                   |
| Depreciation of Tangible Assets  | 16168523          | 15098420          |
|  | <b>16168523</b>   | <b>15098420</b>   |

*New*

# MMP INDUSTRIES LIMITED

(Formerly known as Maharashtra Metal Powders Limited)

|  | 31.03.2016       | 31.03.2015       |
|--|------------------|------------------|
|  | ₹                | ₹                |
| <b>25 Other Expenses</b>                   |                  |                  |
| <b>Manufacturing Expenses</b>              |                  |                  |
| Stores Consumed                            | 32000008         | 23887703         |
| Packing Material Consumed                  | 51157691         | 45435667         |
| Power & Fuel                               | 105847631        | 87961961         |
| Repair to Machinery                        | 2140319          | 4721794          |
| Repair to Building                         | 5892903          | 1784126          |
| Computers and Other                        | 85685            | 190496           |
| <b>Total (a)</b>                           | <b>197124237</b> | <b>163981746</b> |
| <b>Establishment Expenses</b>              |                  |                  |
| Garden Development Expenses                | 27975            | 691158           |
| Rates & Taxes                              | 793961           | 1141083          |
| Insurance Expenses                         | 2216736          | 1452324          |
| Advertisement                              | 151925           | 136113           |
| Books and periodicals                      | 15893            | 12629            |
| Conveyance                                 | 599866           | 783942           |
| General Charges                            | 409714           | 299181           |
| Legal & Professional Charges               | 3034130          | 2888191          |
| Office & Other Expenses                    | 2225543          | 1494391          |
| Due Delligence Expense                     | -                | 4627596          |
| Postage, Telegram & Telephone              | 1524632          | 1318639          |
| Printing & Stationery                      | 995136           | 655331           |
| Pollution Control Expenses                 | 195451           | 458980           |
| Rent Charges                               | 90000            | 90000            |
| Security Service Charges                   | 2593750          | 2439952          |
| Light & Water Charges                      | 332699           | 467015           |
| Technical Consultancy Charges-Others       | 3027129          | 3579882          |
| Travelling Expenses                        | 1904479          | 2107272          |
| Vehicle Expenses                           | 1455576          | 1019397          |
| Expenses on Live Stock                     | 47851            | 34291            |
| Bad Debts Written Off                      | 1185865.00       | 5202887          |
| Sundry Balance W/off                       | -                | 364935           |
| CSR Activity                               | 171000           | -                |
| Transit Loss                               | -                | 9405             |
| Donation                                   | -                | 112000           |
| <b>Total (b)</b>                           | <b>22999312</b>  | <b>31386595</b>  |
| <b>Selling &amp; Distribution Expenses</b> |                  |                  |
| Freight Outwards                           | 4309805          | 4320347          |
| Export Freight & Shipment                  | 2624612          | 2976072          |
| Seminar & Confrence Exp.                   | 32020            | 22869            |
| Excise Duty Expenses                       | 448              | 127612           |
| Vat Tax/Sales Tax Expenses                 | 815466           | 290364           |
| Service Tax GTA                            | 375255           | 696864           |
| Sampling/Analysis Charges                  | 318122           | 416343           |
| Selling Expenses                           | 801087           | 464844           |
| Commission & Discount                      | 2630335          | 3311267          |
| Exchange Rate Difference                   | -                | 850147           |
| Royalty                                    | 2052663          | 3281149          |
| <b>Total (c)</b>                           | <b>13959814</b>  | <b>16757878</b>  |
| <b>Audit Fees Incl. Tax audit fees</b>     | <b>45000</b>     | <b>40000</b>     |
| <b>Total (a+b+c+d)</b>                     | <b>234128363</b> | <b>212166218</b> |

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

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