

MULLER & PHIPPS (INDIA) LIMITED

**HUNDREDTH ANNUAL REPORT
2016-2017**

MULLER & PHIPPS (INDIA) LIMITED

CIN NO. L63090MH1917PLC007897

HUNDREDTH ANNUAL REPORT 2016-2017

DIRECTORS :

Mr. Milan Dalal
 Mr. Raymond Simkins
 Mrs. Kamlini Maniar (Woman Independent Director)

REGISTERED OFFICE :

204 ,Madhava Building,
 Bandra Kurla Complex,
 Near Family Court, Bandra (East)
 Mumbai- 400051.
 Phone No. 26591191
 Fax No. 26591186
 Email Id: mnpc@mulphico.co.in

ADVOCATES & SOLICITORS :

Crawford Bayley & Co.

AUDITORS :

Ford, Rhodes, Parks & Co. LLP

SECRETARIAL AUDITORS :

Sanjay Soman & Associates
 Company Secretaries

BANKERS :

State Bank of India
 Syndicate Bank

REGISTRARS & TRANSFER AGENTS :**Link Intime India Pvt Ltd**

C-13, Pannalal Silk Mills Compound
 LBS Marg, Bhandup (W)
 Mumbai 400 078
 Tel No. 022-25963838

REGIONAL OFFICES/DEPOTS :

Mumbai, Indore, Raipur
 Delhi, Ghaziabad,
 Chandigarh, Calcutta, Cuttack, Patna,
 Kochi, Hyderabad.

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NOTICE

Notice is hereby given that the **HUNDREDTH ANNUAL GENERAL MEETING (AGM) OF MULLER & PHIPPS (INDIA) LIMITED** will be held at Kilachand Conference Room, Indian Merchant Chambers, 2nd floor, Churchgate Mumbai -400 020 on Wednesday 13th September, 2017 at 5.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - (a) the Audited Financial Statements of the Company for the Financial year ended March 31, 2017, together with the Reports of the Directors and Auditors thereon and
 - (b) the Audited Consolidated Financial Statement of the Company for the Financial year ended March 31, 2017, together with the Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Milan Dalal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. K F Jetsey & Co., Chartered Accountants (Firm Registration No. 104209W issued by the Institute of Chartered Accountants of India), as Statutory Auditors of the Company for three years, to hold office from the conclusion of this Meeting until the conclusion of the third Annual General Meeting and to fix their remuneration.

Registered office:

C-204, Madhava Commercial Premises,
Bandra Kurla Complex,
Bandra East, Mumbai 400 051

Place: Mumbai

Date: 11th August, 2017.

By Order of the Board
For MULLER AND PHIPPS (INDIA) LTD

MILAN DALAL
DIRECTOR

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him self / her self and such proxy need not be a member of the Company. Proxies, in order to be effective must be received by the Company not less than 48 hours before the Meeting. A Member or his proxy is requested to produce at the entrance of the meeting hall Admission Slip forwarded to the Member, duly completed and signed in accordance with the specimen signature registered with the Company. A Member or his proxy is requested to bring the Annual Report sent to the Member, as extra copy will not be supplied due to high cost of paper and printing.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2017 to 13th September, 2017 (both days inclusive) for the purpose of AGM.
3. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company / RTA for assistance in this regard.
4. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. To support the "Green Initiative" members who have not registered their e-mail addresses are requested to register the same with RTA/ Depositories.
5. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The members, whose names appear in the Register of Members / list of Beneficial owner as on September 9, 2017, i.e the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.30 am on 10th September 2017 and will end at 5.30 pm on 12th September 2017. The Company has appointed Mr. Rajesh Kanojia, Practising Advocate, to act as the Scrutinizer, for conducting the scrutiny of the votes cast.
6. As per Clause 35A of the Listing Agreement, the results of the e-voting are to be submitted to the Stock Exchange within 48 hours of the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mulphico.co.in and the website of NSDL.

7. Annexure to item No.2 of the Notice in relation to the details of Directors retiring by rotation and seeking reappointment as Director at the Annual General Meeting. (in pursuance of Clause 49 of the Listing Agreement)

| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------|
| Name | Mr. Milan Dalal |
| Date of Birth & Age | 09.02.1962 (55 years) |
| Appointed on | 30.09.2013 |
| Qualification | B.Com. |
| Expertise/Experience | Finance and General Management |
| Shareholding | 2350 Shares. |
| Directorship in Other Public Companies | CFL Securities Limited Foods and Inns Limited The Amalgamated Electricity Company Limited |

Registered office:
C-204, Madhava Commercial Premises,
Bandra Kurla Complex,
Bandra East, Mumbai 400 051

Place: Mumbai
Date: 11th August, 2017.

By Order of the Board
For MULLER AND PHIPPS (INDIA) LTD

MILAN DALAL
DIRECTOR

**REPORT OF THE BOARD OF DIRECTORS**

The Members of Muller & Phipps India Limited

Your Directors present the **HUNDRETH ANNUAL REPORT** of your Company together with the Audited Financial Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

| Particulars | Amount (₹ lacs) | |
|----------------------------------------------------------|-----------------|----------|
| | 2016-17 | 2015-16 |
| Gross Sales | 343.38 | 349.96 |
| Profit// (Loss) after interest and Finance Charges | (8.47) | (05.40) |
| Provision for Depreciation | 1.13 | 0.94 |
| Net profit/ (Loss) before exceptional item and tax | 7.34 | (06.34) |
| Add/ Less Exceptional Items | - | - |
| Provision for taxation | 1.36 | - |
| Profit/(Loss)for the year | 5.98 | (6.34) |
| Profit/(Loss) Balance brought forward from Previous Year | (783.17) | (776.83) |
| Balance available for appropriation | (777. 20) | (783.17) |

During the year sales were ₹ 343.38 Lakh against ₹349.96 Lakh in the previous year. The sales has been stagnant due to muted market condition for consumer products vis a vis incremental input cost on in house brands.

2. TRANSFER TO RESERVES

Due to carried forward losses in previous year, again the Company has adjusted the current year profit in the carried forward losses.

3. DIVIDEND

In the view of carried forward losses , Directors do not recommend any dividend for the year under report.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change, in the nature of business of the Company. The Company is engaged in trading and distribution of Cosmetics and Toiletries and medicated Preparations.

5. THE STATE OF COMPANY AFFAIRS -MANAGEMENT ANALYSIS

The year under review, looking at market condition for consumer products the growth has been competitive. However, there has been down word trend in the coming year on account lower demand and higher competition.

6. MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT

There has been no material changes and commitments affecting financial position between end of the financial year and the date of the report.

7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

8. DETAILS OF SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANY:

| <u>Name of the Company</u> | <u>CIN</u> | <u>% of shares held</u> |
|-----------------------------------------------|-----------------------|-------------------------|
| Muller and Phipps Industrial Services Limited | U74140MH1988PLC047489 | 100% |
| Muller and Phipps Agencies Limited | U51900MH1981PLC025416 | 100% |

9. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

| Particulars | Muller and Phipps Agencies Limited | Muller and Phipps Industrial Services Limited |
|-------------------------------------------|------------------------------------|-----------------------------------------------|
| Date of Incorporation | 12-Oct-1981 | 26-May-1988 |
| Percentage of Capital held by the Company | 100% | 100% |
| Reporting period of subsidiary | NA | NA |
| Authorised share capital | ₹ 500000/- | ₹ 500000/- |
| Paid-up share capital | ₹ 500000/- | ₹ 500000/- |
| Revenue | ₹32110/- | ₹46996/- |
| Profit/(Loss)before Tax | (₹4015/-) | (₹1961/-) |
| Taxes | NIL | NIL |
| PAT | (₹4015/-) | (₹1961/-) |
| Companies share in profit / (Loss) | 100% | 100% |

10. ASSOCIATE COMPANY AND JOINT VENTURE

As on the date of this Report, there is no Associate Company or joint venture company..

11. FIXED DEPOSITS

The Company has not accepted any Fixed deposit during the financial year 2016-17.

12. AUDITORS

Appointment of Statutory Auditors

M/s Ford, Rhodes, Parks & Co LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No.102860W/W100089 who hold office as Auditors of your Company upto the conclusion of the forthcoming Annual General Meeting..

The board proposes to appoint M/s. K. F Jetsey & Co, Chartered Accountants, Mumbai, bearing ICAI Registration No.104209W as statutory Auditors of the Company for the term of 3 consecutive years and to hold the office from the conclusion of 100th Annual General Meeting until the conclusion of 103rd AGM.

M/S. K.F Jetsey & Co., have consented the appointment and CA certificate has been obtained from them pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

13. AUDITORS' REPORT: Directors' note on Auditor's qualifications

The Directors have noted the remark about the maintenance of Fixed Assets Register and details for verification of the same in the reports of Statutory Auditors and assure to undertake the completion of the record appropriately. The Directors are hopeful of positive outcome of efforts to revive the business with additional products in near future which will help company to be profitable again. Accordingly, the Directors had prepared the annual accounts on a going concern basis.

14. SHARE CAPITAL

During the year under report, the Company has not issued any shares.

15. NOMINATION AND REMUNERATION COMMITTEE, RISK MANAGEMENT COMMITTEE OR ANY OTHER COMMITTEE

The provisions pertaining to Corporate Governance do not apply to the Company and hence there is no requirement of constitution of any Committee.

16. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return prepared in Form MGT-9 in pursuance of Section 92 of the Companies Act, 2013 is annexed and forms part of this Report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of business being dealing in consumer products retailing, providing information with regard to conservation of energy and technology absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report does not arise for your Company.



Foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows as per Table below:

Amount in ₹

| Particulars | 2016-17 | 2015-16 |
|------------------------------------------------------|---------|---------|
| Foreign Exchange Earnings in terms of actual inflows | Nil | Nil |
| Foreign Exchange Outgo in terms of actual outflows | Nil bIL | Nil |

18. CORPORATE SOCIAL RESPONSIBILITY

Since the Company’s net worth including current year profit is below the minimum prescribed limits, the provisions of clause (o) of Section 134(3) of the Companies Act, 2013 read together with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 do not apply and hence disclosures on Corporate Social Responsibility are not required to be given.

19. DIRECTORS:

In terms of the Articles of Association of the Company, Mr. Milan Dalal retire at the ensuing Annual General Meeting and being eligible offers himself for the reappointment.

Mr Utsav Dhupelia was the Managing Director of the Company from 12th July 1989 to 30th September 1998 and thereafter, was Director of the Company, expired on August 25,2016. Mr Dhupelia provided leadership in a challenging market environment and had made a considerable positive impact on the Company’s culture by spearheading leadership and brand enhancing programs in the organization. He played a pivotal role in charting of the Company’s strategy to regain momentum for the Company’s products in the Indian market. The board have placed on record their profound grief on the passing away of Mr Dhupelia .

20. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2016-2017, the Board of Directors met 4(four)times as per table below in the year 2016-17

| First Quarter | Second Quarter | Third Quarter | Fourth quarter |
|-------------------------|-----------------------------|-------------------------------|----------------------------|
| April 2016 to June 2016 | July 2016 to September 2016 | October 2016 to December 2016 | January 2017 to March 2017 |
| 12/August/2016 | 10/November/2016 | 6th/February/2016 | 17/May/2017 |

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence no information is required to be furnished. Details of investments in all bodies corporate are given in Note 11 in the Financial Statements.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company’s contracts or arrangements with related parties of which the details are given in Note No.31 of the Financial Statements.

a Holding Company : Development Holding Asia Ltd.

Subsidiaries :

Muller and Phipps (Industrial Services) Ltd. Muller and Phipps Agencies Ltd.

b Other parties where the company has entered in transaction during the year Fellow Subsidiary:

Getz Bros. Company Limited

Associates:

Foods and Inns Ltd. Western Press Pvt Ltd.

Pharmpak Private limited

c Directors and their Relatives:

Mr.Milan Dalal - Director

Details as per Annexure 2 attached:

23. MANAGERIAL REMUNERATION

The company does not have any appointment in this category in the year under review.

24. SECRETARIAL AUDIT REPORT AND COST AUDIT REPORT

M/s Sanjay Soman & Associates, Company Secretaries in Whole-time Practice, Mumbai, were appointed Secretarial Auditors of the Company by the Board ,pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under.

The Secretarial Audit Report issued by M/s Sanjay Soman & Associates is attached in Annexure 3 and forms part of this report.

Directors have noted the qualifications reported in the said Report and submit the following replies: does not contain any qualification, reservation or adverse remark or disclaimer.

1. The Company will undertake to regularize the appointments of the Independent Directors and Compliance officer as per provisions of Sec 149(4) of listing agreement.
2. The Company also undertakes to keep record for the purpose of monitoring the changes in the shareholdings as required under section 93 of the Companies Act 2013 for the purpose of reporting the same in MGT 10 within stipulated time from such change. in top 8 shareholders including the promoters.
3. The Directors have already noted and assured completion of the records pertaining to Fixed Assets.

Given the nature of the Company's activities, the provisions relating to submission of Cost Auditors' Report do not apply to the Company.

25. CORPORATE GOVERNANCE CERTIFICATE

The provisions pertaining to Corporate Governance do not apply to the Company and hence the Company is not required to furnish any certificate with regard to Corporate Governance.

26. RISK MANAGEMENT POLICY

The provisions pertaining to Corporate Governance do not apply to the Company and hence the Company is not required to furnish any report regarding Risk Management Policy. The Board takes responsibility for the overall process of risk management in the organisation.

27. PARTICULARS OF EMPLOYEES

During the year under report, there was no employee of the category mentioned in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence information in this regard is not required to be furnished.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE: Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014

There were no instances during the year attracting the provisions of Rule 8 (5)(vii) of the Companies (Accounts) Rules, 2014. However, the details of litigations pending the final result as per note 26 of financial statements are disclosed Under Contingent liabilities.

29. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year covered under this Report and of the profit of your Company for the year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a going concern basis.
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

30. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the co-operation and diligent efforts of the employees of your Company.

FOR AND ON BEHALF OF THE BOARD

Milan Dalal
Director
DIN00062453

Kamlini Maniar
Director
DIN06926167

Mumbai
Dated: 11th August, 2017



Annexure 1 to Report of Board of Directors

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN | L63090MH1917PLC007897 |
| 2. | Registration Date | 12 th October 1917 |
| 3. | Name of the Company | Muller & Phipps India Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares |
| 5. | Address of the Registered Office & contact details | C-204, Madhava Building, 2 nd floor, Bandra Kurla Complex, Bandra East, Mumbai -400 051. |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Pvt Limited C-13 Pannalal Silk Mills Compound, Lal Bahadur Shastri Road, Bhandup (w), Mumbai 400078 |

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. | Medicated Dental Products(Cavisan and Cavifast) | 30550 | 51% |
| 2. | Ayurvedic Skin Ointment (Nixoderm) | 24233 | 41% |
| 3. | Home Care Product (Alfa Plus) | 24249 | 08% |

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 | Muller and Phipps Industrial Services Limited | U74140MH1988PLC047489 | Subsidiary | 100% | 2(87) |
| 2 | Muller and Phipps Agencies Limited | U51900MH1981PLC025416 | Subsidiary | 100% | 2(87) |

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

A. Category-wise Share Holding

| Sr No | Category of Shareholders | Shareholding at the beginning of the year 2016 | | | | Shareholding at the end of the year 2017 | | | | % Change during the year |
|-------|--------------------------------------------------------------|------------------------------------------------|----------|--------|-------------------|------------------------------------------|----------|--------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | 0 | | | | | | |
| [1] | Indian | | | 0 | | | | 0 | | - |
| (a) | Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (d) | Any Other (Specify) | | | 0 | | | | 0 | | - |
| | Sub Total (A)(1) | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| [2] | Foreign | | | 0 | | | | 0 | | - |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (b) | Government | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (c) | Institutions | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (e) | Any Other (Specify) | | | 0 | | | | 0 | | - |
| | Bodies Corporate | 0 | 322680 | 322680 | 51.63 | 0 | 322680 | 322680 | 51.63 | - |
| | Sub Total (A)(2) | 0 | 322680 | 322680 | 51.63 | 0 | 322680 | 322680 | 51.63 | 0 |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year 2016 | | | | Shareholding at the end of the year 2017 | | | | % Change during the year |
|-------|--------------------------------------------------------------------------------------|------------------------------------------------|----------|--------|-------------------|------------------------------------------|----------|--------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 0 | 322680 | 322680 | 51.63 | 0 | 322680 | 322680 | 51.63 | 0 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | 0 | - | | | 0 | - | - |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (b) | Venture Capital Funds | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (f) | Financial Institutions / Banks | 0 | 100 | 100 | 0.02 | 0 | 100 | 100 | 0.02 | - |
| (g) | Insurance Companies | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| (i) | Any Other (Specify) | | | 0 | - | | | 0 | - | - |
| | Sub Total (B)(1) | 0 | 100 | 100 | 0.02 | 0 | 100 | 100 | 0.02 | - |
| [2] | Central Government/ State Government(s)/ President of India | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| | Sub Total (B)(2) | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 91544 | 45030 | 136574 | 21.85 | 92058 | 44653 | 136711 | 21.87 | (0.02) |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | | | 0 | - | | | 0 | - | - |
| (b) | NBFCs registered with RBI | | | 0 | - | | | 0 | - | - |
| (c) | Employee Trusts | | | 0 | - | | | 0 | - | - |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | | | 0 | - | | | 0 | - | - |
| (e) | Any Other (Specify) | | | 0 | - | | | 0 | - | - |
| | Trusts | 42 | | 42 | 0.01 | 42 | | 42 | 0.01 | - |
| | Independent Relatives Of Director | 15655 | 5000 | 20655 | 3.30 | 15655 | 5000 | 20655 | 3.30 | - |
| | Hindu Undivided Family | 5114 | | 5114 | 0.82 | 4667 | | 4667 | 0.75 | 0.07 |
| | Non Resident Indians (Non Repat) | 25 | | 25 | 0.00 | 33 | | 33 | 0.01 | (0.00) |
| | Other Directors | 2350 | | 2350 | 0.38 | 2350 | | 2350 | 0.38 | - |
| | Non Resident Indians (Repat) | 100 | 250 | 350 | 0.06 | 100 | 250 | 350 | 0.06 | - |
| | Clearing Member | 99 | | 99 | 0.02 | 365 | | 365 | 0.06 | (0.04) |
| | Bodies Corporate | 136586 | 425 | 137011 | 21.92 | 136622 | 425 | 137047 | 21.93 | (0.01) |
| | Sub Total (B)(3) | 251515 | 50705 | 302220 | 48.36 | 251892 | 50328 | 302220 | 48.36 | 0.008 |
| | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3) | 251515 | 50805 | 302320 | 48.37 | 251892 | 50428 | 302320 | 48.37 | 0.008 |
| | Total (A)+(B) | 251515 | 373485 | 625000 | 100.00 | 251892 | 373108 | 625000 | 100 | 0.008 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | - | 0 | 0 | 0 | - | - |
| | Total (A)+(B)+(C) | 251515 | 373485 | 625000 | 100.00 | 251892 | 373108 | 625000 | 100.00 | - |

B. Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 2016 | | | Shareholding at the end of the year 2017 | | | % change in shareholding during the year |
|---------|-----------------------------------|------------------------------------------------|----------------------------------|-------------------------------------------|------------------------------------------|----------------------------------|-------------------------------------------|------------------------------------------|
| | | No.of shares | % of total shares of the company | % of shares pled-ged/ encumbered to total | No.of shares | % of total shares of the company | % of shares pled-ged/ encumbered to total | |
| 1. | Development Holdings Asia Limited | 322680 | 51.6288 | | 322680 | 51.6288 | | |



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

| Sl. No. | Particulars | Shareholding at the beginning of the year 2016 | | Cumulative Shareholding end of the year 2017 | |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------|----------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 322680 | 51.6288 | 322680 | 51.6288 |
| | Date wise increase/ decrease in promoters' share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/Sweat Equity etc.) | No Changes in the promoters shareholdings from 1-4-2016 to 31-3-2017 | | | |
| | At the end of the year | | | 322680 | 51.6288 |

D. Shareholding Pattern of top nine Shareholders: (Other than Directors, Promoters and Holders of GDRs/ADRs)

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2016 | | Reason | Cumulative Shareholding at the end of the year - 2017 | |
|---------|-----------------------------------------|--------------------------------------------------|----------------------------------|----------|-------------------------------------------------------|----------------------------------|
| | | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | SWAR INVESTMENTS AND TRADING CO PVT LTD | 56350 | 9.016 | | 56350 | 9.016 |
| 2 | SATYAJYOTI HOLDINGS PRIVATE LIMITED | 49525 | 7.924 | | 49525 | 7.924 |
| 3 | CHANDRA PRABHA GANDHI | 0 | 0 | Purchase | 11835 | 1.8936 |
| 4 | DRAVYA FINANCE LIMITED | 10650 | 1.704 | | 10650 | 1.704 |
| 5 | VISHAL GANDHI | 0 | 0 | Purchase | 10028 | 1.604 |
| 6 | ORNATE TALCUM PVT LTD | 7757 | 1.2411 | Sell | 0 | 0 |
| 7 | M L GANDHI | 6193 | 0.9909 | | 0 | 0 |
| 8 | SHREE BAHUBALI INT. LTD. | 5146 | 0.8234 | | 5146 | 0.8234 |
| 9 | VSL SECURITIES PRIVATE LIMITED | 3312 | 0.5299 | | 3312 | 0.5299 |
| 10 | SWARNADHARA HOLDINGS PRIVATE LTD | 3000 | 0.48 | | 3000 | 0.48 |

Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Shareholding of each Director and each | Shareholding at the beginning of the year 2016 | | Cumulative shareholding at the end of the year 2017 | |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------|-----------------------------------------------------|----------------------------------|
| | Key Managerial Personnel | No.of shares | % of total shares of the Company | No.of shares | % of total shares of the Company |
| 1 | Mr. Milan B. Dalal | | | | |
| | At the beginning of the year | 2,350 | 0.376 | 2350 | 0.376 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | | | | |
| | At the end of the year | 2,350 | 0.376 | 2350 | 0.376 |
| 2 | Mr. Ray Simkins | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | | | | |
| | At the end of the year | - | - | - | - |
| 3 | Mr.Utsav Dhupelia | 50 | 0.008 | - | - |
| | At the beginning of the year | - | - | - | - |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | | | | |
| | At the end of the year | - | - | - | - |

| | | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|
| 4 | Mrs. Kamlini C. Maniar | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | | | | |
| | At the end of the year | - | - | - | - |
| 5 | KEY MANAGERIAL PERSONNEL | - | - | - | - |

V. INDEBTEDNESS: (Indebtedness of the Company including interest outstanding/accrued but not due for payment)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total indebtedness |
|--------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the year | - | - | - | - |
| (i) Principal amount | - | - | - | - |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i) + (ii) + (iii) | | | | |
| Change in indebtedness during the financial year | - | - | - | - |
| • Addition | | | | |
| • Reduction | - | - | - | - |
| Net change | - | - | - | - |
| Indebtedness at the end of the year | - | - | - | - |
| (i) Principal amount | - | - | - | - |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Name of the Person and Designation | Particulars of Remuneration | Total Amount |
|---------|--------------------------------------|-----------------------------|--------------|
| | Mr. P. V. Mohan. President-Operation | Gross Salary | ₹ 9,39,500/- |

B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration | Names of Directors | | | Total Amount |
|----------|--------------------------------------------|----------------------------|----------------|-------------|--------------|
| | | Milan Dalal | Utsav Dhupelia | Ray Simkins | |
| 1 | Other Non-Executive Directors | | | | |
| | Fee for attending Board/Committee Meetings | ₹20000/- | -- | ₹ 5000/- | ₹ 25000/- |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (3) of | ₹20000/- | -- | ₹ 5000/- | ₹ 25000/- |
| | Other Non. Exe. Dir. | | | | |
| 2 | Independent Directors: | Mrs. Kamlini Maniar | | | Total |
| | Fee for attending Board/Committee Meetings | ₹ 10,000/- | | | ₹ 10,000/- |
| | Commission | - | | | |
| | Others, please specify | - | | | |
| | Total (1) | ₹ 10000/- | | | ₹ 10,000/- |
| | Total B 1+B2 = 1(3) + 2(1) | ₹ 35000/- | | | ₹ 35000/- |



REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD The Company has no Key Managerial Personnel other than the Director

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

VII. PENALTIES / PUNISHMENT/COMPOUNDING

There were no penalties, punishment and compounding of offences during the year ended March 31, 2017

Annexure 2 to Report of Board of Directors

Directors and Related party Disclosure and particulars of Transactions :

1 (As per note no. 31 of Financial Statements for 2016-2017)

Notes to the financial statements for the year ended 31st March, 2017

Related Party Disclosure

The transactions with Related Parties during the year were as follows :

| Particulars | Fellow Subsidiary | | Subsidiaries | | Associates | | | | Key Management Personnel | |
|--------------------------------|-------------------|-------------|-------------------------------|--------------------------------------------|---------------------|-------------------------|--------------------------|------------|--------------------------|-----------------|
| | 31-03-2017 | 31-03-2016 | Muller & Phipps Agencies Ltd. | Muller & Phipps (Industrial Services) Ltd. | Foods and Inns Ltd. | Western Press Pvt. Ltd. | Pharmpak Private Limited | 31-03-2017 | 31-03-2016 | Mr. Milan Dalal |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Nature of Transactions | | | | | | | | | | |
| Purchase of Goods | - | - | - | - | 18,35,700 | - | - | 50,58,184 | - | - |
| Directors Fees | - | - | - | - | - | - | - | - | - | 20,000 |
| Printing and Stationery | - | - | - | - | - | 1,04,153 | 97,807 | - | - | - |
| Interest Expenses | - | - | 32,000 | - | 23,12,488 | 29,88,163 | - | - | - | - |
| Doubtful Advances provided | - | - | - | 55,357 | - | - | - | - | - | - |
| Inter corporate Loans received | - | - | - | - | - | - | - | - | - | - |
| Inter corporate Loans re-paid | - | - | - | - | - | - | - | - | - | - |
| Outstanding at year-end | | | | | | | | | | |
| Inter corporate Loans payable | - | - | 4,00,000 | - | 1,85,00,000 | 1,85,00,000 | - | - | - | - |
| Loans and Advances given | - | - | - | 12,53,954 | - | 11,98,597 | - | - | - | - |
| Other Receivables | 2,87,54,011 | 2,87,54,011 | - | - | - | - | - | - | - | - |
| Payables | 4,71,10,790 | 4,71,60,790 | - | - | 11,35,700 | 28,93,044 | 6,30,221 | 5,26,028 | 46,96,332 | - |
| Interest Payable | - | - | 87,180 | - | 98,23,374 | 77,83,568 | - | - | - | - |
| Doubtful Advances Provision | - | - | - | 12,53,954 | - | 11,98,597 | - | - | - | - |



Annexure 3 to Report of Board of Directors

Form MR3: Secretarial Audit Report

For the year 2016-17

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
MULLER AND PHIPPS (INDIA) LTD
204, Madhava Bldg, 2nd Floor,
Bandra Kurla Complex,
Bandra East, Mumbai 400 051

We have conducted the audit of secretarial compliances as per applicable statutory provisions to the company and the adherence to good corporate practices by Muller & Phipps India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon under the normal operating circumstances to pursue the main objects of the company. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2017, complied with the following and also with the Board-processes in a manner prescribed and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period mentioned above according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and SEBI-LODR 2015

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India
- ii) The Listing Agreement entered into by the Company with the BSE Limited till it was applicable prior to SEBI(LODR) Regulations of 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

2. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has, in our opinion, complied with the provisions of the following acts :
 - i) The employees State Insurance Act, 1948,
 - ii) Employees provident Fund and Miscellaneous provisions Act 1952, and other applicable labour related laws,
 - iii) Other applicable rules and regulations of local civic bodies, state governments and authorities wherever applicable as per management representation letter given to us; And
 - iv) Companies Act, 2013 and the Rules made under that Act , and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - b) Closure of the Register of members.
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies, stock exchange, or law offices;
 - e) notice of Board meetings, the meetings of Directors, passing of resolutions, minutes of the proceedings of the Board meetings and of 99th Annual General Meeting held on 8th September 2016;
 - f) approvals of the Members, the Board of Directors, and the government authorities, wherever required with or without dissents on the items in the proceedings;
 - g) constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director, Auditors, Practising Company Secretary etc ;
 - h) payment of remuneration to the Managing Director; remuneration of Auditors;
 - i) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares wherever necessary;
 - j) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - k) investment of the Company's funds ;
 - l) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - m) Directors' report;
 - n) contracts, common seal, registered office and publication of name of the Company; and o) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. We further report that:
- i The Board of Directors of the Company is duly constituted, however, company needs to appoint appropriate number of Independent Directors as prescribed by provisions section 149(4) of Companies Act 2013 and other applicable provisions and duly constituted 'Compliance officer' for the purpose of statutory Compliances in absence any appointment of a Whole Time Director, a Company Secretary and a Chief Financial Officer of the company.
 - ii The company is advised to observe the shareholding pattern as given every week by Registrar and Transfer Agent appointed by the company to show changes, in the top ten shareholders of the company including promoters, as per provisions of u/s 93 of the Companies Act 2013 so as to avoid default of reporting in the Form MGT 10 where the change is more than 2 % in the shareholding.
 - iii The Company has obtained all necessary approvals under the various provisions of the Act; and
 - iv There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers,
 - v The Directors have complied with the disclosure requirements in respect of their being eligible for appointment, their being independent and being compliant, as per applicable provisions;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company as per records maintained at Registrar & Transfer agent including e Voting and postal Ballot arrangements with the help of Registrar and Transfer Agents;.
6. We further report that:
- based on the information received and records maintained by the company and subject to our remark in 3(ii) (iii)above, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sanjay Soman & Associates
Company Secretaries

Sd/-

Sanjay Soman
Prop
CP817

Place : Mumbai
Date : 11th Aug 2017.

Encl. Annexure 'A' to Secretarial Audit Report



Annexure 'A' to Secretarial Audit Report

To
The Members,
Muller & Phipps India Limited

Statement regarding Secretarial Audit Report for the Financial Year ended 31.03.2017

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on Statutory Auditors Report on Financial Statements so far as the correctness and appropriateness of financial records, observations and reporting and Books of Accounts of the Company and we have not verified them.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, etc. is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Soman & Associates
Company Secretaries

Sanjay Soman
Prop. CP817

Mumbai, 11th Aug 2017

ANNEXURE 4 FORM AOC -1

(Pusuant to first provisio 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/Associates/Joint Ventures

| Sr no | Particulars | | |
|-------|--------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|
| 1 | Name of the Company | Muller & Phipps Agencies Ltd | Muller & Phipps Industrial Services Ltd |
| 2 | Reporting period for the subsidiary concerned,if different from the holding companys reporting period | 31/3/2017 | 31/3/2017 |
| 3 | Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries | N/A | N/A |
| 4 | Share Capital | ₹ 5,00,000 | ₹ 500,000 |
| 5 | Reserves & Surplus | ₹ (92,737) | ₹ (20,67,571) |
| 6 | Total Assets | ₹ 5,26,208 | ₹ 18,255 |
| 7 | Total Liabilities | ₹ 1,18,945 | ₹ 15,85,826 |
| 8 | Investments | - | - |
| 9 | Turnover | ₹ 32,110 | ₹ 46,996 |
| 10 | Profit before Taxation (A) | ₹ (4,015) | ₹ (1,961) |
| 11 | Provision for Taxation (B) | - | - |
| 12 | Profit after Taxation (A) - (B) | ₹ (4,015) | ₹ (1,961) |
| 13 | Proposed Dividend | - | - |
| 14 | % of Shareholding | 100% | 100% |

Place: Mumbai
Dated: 11th August, 2017

Milan Dalal
Director
DIN No. 00062453



INDEPENDENT AUDITOR'S REPORT

To the Members of Muller & Phipps (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Muller & Phipps (India) Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cashflows 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 judgements 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 true and fair view and free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The financial statements have been prepared on a going concern basis by the management although the net worth of the Company has been completely eroded and there are no profits from operational activities, on the basis that they have business plans for profitable operations in the future (Refer Note No. 36). However, no such plans have been shown or explained to us to our satisfaction and hence we are unable to form any opinion on the going concern status of the Company.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. 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 the Companies (Auditor's Report) Order, 2016 issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e. The going concern matter described under the Basis of Qualification paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure II'.
 - h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statements – Refer Note 26 to the financial statements.
 - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the standalone financial statements.

For Ford Rhodes Park & Co. LLP

Chartered Accountants

Firm's Registration No. 102860W / W100089

Shrikant Prabhu

Partner

Membership No. 35296

Place: Mumbai

Date: 18th May, 2017

Annexure I

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Muller & Phipps (India) Limited.

Report on Companies (Auditor's Report) Order, 2016, issued by the Central Government in terms of sub section (11) of section 143 of the Companies Act, 2013 ('the Act')

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government in terms of sub section (11) of section 143 of the Act, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we further report that: -

1. a) The Company has not maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- b) No physical verification of fixed assets has been conducted by the management during the year or in the recent past. In our opinion, the frequency of verification needs to be improved to be commensurate with the size of the Company and the nature of its business.
- c) The Company does not own any immovable property.



2. a) The inventory has been physically verified by the management at reasonable intervals during the year and no material discrepancies found .
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company has maintained proper records of inventory. The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
4. 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 Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder.
6. The Central Government has not prescribed maintenance of cost records under sub section (1) of sec 148 of the Companies Act, 2013.
a) According to the information and explanations given to us by the management and on the basis of examination of the books of accounts carried out by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Excise Duty, Value Added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us by management and the records of the Company examined by us, there were no disputed dues in respect of Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as at 31st March, 2017 other than those shown below :

| Nature of dues pending | Amount ₹ | Forum where dispute is |
|--------------------------------|-------------|--------------------------------------|
| Income Tax A.Y 2001-02 | 10,57,725 | Commissioner of Income-tax (Appeals) |
| Income Tax Penalty A.Y 2001-02 | 2,10,00,000 | Commissioner of Income-tax (Appeals) |
| Sales Tax A.Y 2004-05 | 2,85,000 | Sales Tax Authorities – Lucknow |
| A.Y 2002-03 | 2,29,000 | |

7. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
8. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
9. According to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
10. The Company has not paid any managerial remuneration during the year.
11. Clause (xii) of the Order is not applicable to the Company since the Company is not a Nidhi Company.
12. According to the information and explanations given to us and the records of the Company examined by us, all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details as required by the Accounting Standards have been disclosed in the Financial Statements.
13. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
14. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions covered in Section 192 of the Act with Directors or persons connected with him during the year
15. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No. 102860W/W100089

Shrikant Prabhu
Partner
Membership No.35296

Place: Mumbai
Date: 18th May, 2017

Annexure II**Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Muller & Phipps (India) Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Muller & Phipps (India) Limited ('the Company') as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining 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 procedures 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No. 102860W/W100089

Place : Mumbai
Date: 18th May, 2017

Shrikant Prabhu
Partner
Membership No.35296

**BALANCE SHEET AS AT 31ST MARCH, 2017**

| | Note No. | 31-03-2017 ₹ | 31-03-2016 ₹ |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 62,50,000 | 62,50,000 |
| Reserves and Surplus | 3 | (5,52,20,268) | (5,58,17,939) |
| | | (4,89,70,268) | (4,95,67,939) |
| Non-Current Liabilities | | | |
| Long-term Liabilities | 4 | 2,93,20,905 | 2,95,94,349 |
| Long-term Provisions | 5 | 5,59,749 | 6,14,204 |
| | | 2,98,80,654 | 3,02,08,553 |
| Current Liabilities | | | |
| Short-term Borrowings | 6 | 1,89,00,000 | 1,89,00,000 |
| Trade Payables | 7 | 2,49,46,735 | 2,55,09,536 |
| Other Current Liabilities | 8 | 1,75,23,795 | 1,63,49,930 |
| Short-term Provisions | 9 | 36,93,530 | 34,91,108 |
| | | 6,50,64,060 | 6,42,50,574 |
| | TOTAL | 4,59,74,446 | 4,48,91,188 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets : | 10 | | |
| Tangible Assets | | 4,30,512 | 7,30,324 |
| Intangible Assets | | - | - |
| | | 4,30,512 | 7,30,324 |
| Non-Current Investments | 11 | 1,00,000 | 1,00,000 |
| Long-term Loans and Advances | 12 | 96,51,650 | 96,55,184 |
| Other Non-Current Assets | 13 | 2,87,54,011 | 2,87,54,011 |
| | | 3,89,36,173 | 3,92,39,519 |
| Current Assets | | | |
| Inventories | 14 | 4,43,964 | 1,02,162 |
| Trade Receivables | 15 | 54,84,020 | 48,06,768 |
| Cash and Bank Balances | 16 | 10,23,591 | 6,33,250 |
| Short-term Loans and Advances | 17 | 86,698 | 1,09,488 |
| | | 70,38,273 | 56,51,669 |
| | TOTAL | 4,59,74,446 | 4,48,91,188 |
| Notes to the Financial Statements and Significant Accounting Policies | 1 to 36 | | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per our Report attached For Ford Rhodes Parks & Co. LLP Chartered Accountants Firm's Registration No.102860W / W100089 | | MILAN DALAL Director DIN No. 00062453 | |
| Shrikant Prabhu Partner Membership No. 35296 | | RAY SIMKINS Director DIN No. 01573312 | |
| Mumbai Dated: 18 th May, 2017 | | Singapore Dated: 17 th May, 2017 | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | 31-03-2017 ₹ | 31-03-2016 ₹ |
|------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------|--------------------|
| INCOME | | | |
| Revenue from Operations | 18 | 3,43,38,565 | 3,49,95,694 |
| Other Income | 19 | 30,94,121 | 37,57,394 |
| TOTAL REVENUE | | 3,74,32,686 | 3,87,53,088 |
| EXPENDITURE | | | |
| Purchases (net of returns) of Stock- in-trade | 20 | 1,75,87,021 | 1,77,92,254 |
| Changes in Inventories of Finished Goods | 21 | (3,41,802) | 52,955 |
| Employee Benefits Expense | 22 | 71,73,515 | 77,62,361 |
| Finance Costs | 23 | 24,13,717 | 31,13,513 |
| Depreciation and Amortisation Expense | 24 | 1,13,187 | 94,139 |
| Other Expenses | 25 | 97,53,377 | 1,05,72,035 |
| TOTAL EXPENSES | | 3,66,99,015 | 3,93,87,257 |
| PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | 7,33,671 | (6,34,169) |
| Compensation received for surrender of Tenancy Rights | | - | - |
| PROFIT / (LOSS) BEFORE TAX | | 7,33,671 | (6,34,169) |
| Current Tax | | 1,36,000 | - |
| Deferred Tax Adjustment - Debit / (Credit) | | - | - |
| PROFIT / (LOSS) FOR THE YEAR | | 5,97,671 | (6,34,169) |
| Earning per Share - Basic and Diluted (see note no. 34) | | 0.96 | (1.01) |
| Notes to the Financial Statements and Significant Accounting Policies | 1 to 36 | | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per our Report Attached For Ford Rhodes Parks & Co. LLP Chartered Accountants Firm's Registration No.102860W / W100089 | | MILAN DALAL Director DIN No. 00062453 | |
| Shrikant Prabhu Partner Membership No. 35296 | | RAY SIMKINS Director DIN No. 01573312 | |
| Mumbai Dated: 18 th May, 2017 | | Singapore Dated: 17 th May, 2017 | |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | 31-03-2017 | | 31-03-2016 | |
|---------------------------------------------------------------|------------|-------------|------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) Before Tax and Prior Period Items | | 7,33,671 | | (6,34,169) |
| Adjustments for | | | | |
| Depreciation | 1,13,187 | | 94,139 | |
| Profit / (Loss) on Sale of Fixed Assets | 1,28,919 | | - | |
| Interest and Finance Charges Expenses | 24,13,717 | 26,55,823 | 31,13,513 | 32,07,652 |
| Operating Profit/(Loss) before Working Capital Changes | | 33,89,494 | | 25,73,483 |
| Adjustment for | | | | |
| (Increase)/Decrease in Trade and Other Receivables | | (6,51,462) | | 15,57,763 |
| (Increase)/Decrease in Inventories | | (3,41,802) | | 52,955 |
| Increase/(Decrease) in Sundry Creditors and Other Liabilities | | (15,76,539) | | (38,34,763) |
| Cash Used in Operations | | 8,19,691 | | 3,49,438 |
| Taxes Paid | | (1,35,465) | | (1,824) |
| Cash Flow before Prior Period items | | 6,84,226 | | 3,47,614 |
| Compensation received for surrender of Tenancy Rights | | - | | - |
| Net Cash Used in Operating Activities | | 6,84,226 | | 3,47,614 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | | (39,640) | | - |
| Sale of Fixed Assets | | 97,345 | | - |
| Investment / (encashment) - Margin Money Deposits | | - | | - |
| Net Cash from Investing Activities | | 57,705 | | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Cash Credit (net) | | - | | - |
| Interpolate and Other Loans (net) | | - | | - |
| Interest Paid | | (3,51,591) | | (4,56,757) |
| Net Cash used in Financing Activities | | (3,51,591) | | (4,56,757) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | 3,90,340 | | (1,09,143) |
| Cash and Cash Equivalents as at beginning of the year | | 6,33,251 | | 7,42,394 |
| Cash and Cash Equivalents as at close of the year | | 10,23,591 | | 6,33,251 |

As per our Report Attached

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No. 102860W / W100089

MILAN DALAL
Director
DIN No. 00062453

Shrikant Prabhu
Partner
Membership No. 35296

RAY SIMKINS
Director
DIN No. 01573312

Mumbai
Dated: 18th May, 2017

Singapore
Dated: 17th May, 2017

Significant Accounting Policies and Notes to the Financial Statements for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under historical cost convention in accordance with the normally accepted accounting principles and provisions of the Companies Act, 1956.

1.2 FIXED ASSETS AND DEPRECIATION

- i) Fixed assets are stated at acquisition cost less accumulated depreciation.
- ii) Depreciation on Tangible assets are provided by written down value method over the estimated useful life prescribed under part "C" Schedule II of Companies Act, 2013, keeping a residual value of 5 %.
- iii) Technical Know-how is depreciated equally over a period of 20 years starting from the month in which Technical Know-how has been put to use.
- iv) Trade Marks/Brand are depreciated equally over 10 years starting from the month in which the Trade Marks / Brand have been acquired.
- v) Impairment in the carrying value of the fixed assets is recognised in accordance with Accounting Standard No. 28 - 'Impairment of Assets'.

1.3 INVENTORIES

- i) Raw material are valued at cost on FIFO basis or net realisable value whichever is lower
- ii) Process stock is valued at material cost or net realisable value whichever is lower.
- iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost in respect of own manufactured goods includes material cost, direct labour and attributable production overheads.

1.4 INVESTMENTS

Long-term investments are valued at cost except that any permanent diminution in the value thereof is recognised in the profit and loss account.

1.5 REVENUE RECOGNITION

All income and expenditure items are recognised on accrual basis. Payments to employees under voluntary retirement schemes are deferred and written off equally over a period of 5 years starting from the year in which payment is made.

1.6 EMPLOYEE/RETIREMENT BENEFITS

The Company has made arrangements with the Life Insurance Corporation of India through Gratuity Fund and Superannuation Fund for meeting its employee retirement liability. The liability for gratuity is calculated on basis of actuarial valuation as reduced by funded amount. Leave encashment benefit is provided for based on actuarial valuation basis.

1.7 FOREIGN CURRENCY TRANSLATION

Foreign currency revenue transactions are booked at the exchange rate prevailing at the date of the transaction. Exchange loss/gain on realisation/payment is booked to exchange fluctuation. Foreign currency assets and liabilities outstanding as at the year end, if any, are translated at the year end exchange rates.

1.8 TAXATION

Provision for taxes is made based on the current applicable tax rates. Adjustment for deferred tax is made based on the tax effect of timing differences resulting from the recognition of items in the financial statements and their allowance under the tax laws, subject to the consideration of prudence. The effect on deferred tax of a change in income tax rates is recognised in the period that includes the enactment date.



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

| | | 31-03-2017 | 31-03-2016 |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| | | ₹ | ₹ |
| 2 | SHARE CAPITAL | | |
| | Authorised | | |
| | 20,00,000 Equity Shares of ₹ 10 each | <u>2,00,00,000</u> | <u>2,00,00,000</u> |
| | Issued, Subscribed and Fully Paid-up | | |
| | 6,25,000 Equity Shares of ₹ 10 each | <u>62,50,000</u> | <u>62,50,000</u> |
| | | <u>62,50,000</u> | <u>62,50,000</u> |
| 2.1 | Rights and Restrictions attached to Equity Shares | | |
| | The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting. | | |
| | In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. | | |
| 2.2 | Shares held by Holding Company | | |
| | Out of the above equity shares, 3,22,680 (previous year 3,22,680) shares are held by Holding Company - M/s. Development Holding Asia Ltd. | | |
| 2.3 | Details of Shareholders holding more than 5% of the total Equity Shares | | |
| | | 31-03-2017 | 31-03-2016 |
| | NAME OF THE SHAREHOLDER | No. of Shares | % of Holdings |
| | Development Holding Asia Ltd. | 3,22,680 | 51.63% |
| | Swar Investments and Trading Co. Pvt. Ltd. | 56,350 | 9.02% |
| | Satyajyothi Holding Pvt. Ltd. | 49,525 | 7.92% |
| | | No. of Shares | % of Holdings |
| | | 3,22,680 | 51.63% |
| | | 56,350 | 9.02% |
| | | 49,525 | 7.92% |

| | | 31-03-2017 | 31-03-2016 |
|----------|----------------------------------------|----------------------|----------------------|
| | | ₹ | ₹ |
| 3 | RESERVES AND SURPLUS | | |
| | Share Premium | <u>2,25,00,000</u> | 2,25,00,000 |
| | Surplus / (Deficit) | | |
| | As per last Balance Sheet | <u>(7,83,17,939)</u> | <u>(7,76,83,770)</u> |
| | Profit / (Loss) for the year | <u>5,97,671</u> | <u>(6,34,169)</u> |
| | | <u>(7,77,20,268)</u> | <u>(7,83,17,939)</u> |
| | | <u>(5,52,20,268)</u> | <u>(5,58,17,939)</u> |
| 4 | OTHER LONG-TERM LIABILITIES | | |
| | Security Deposits from C & F Agents | <u>6,16,904</u> | 8,40,348 |
| | Advance Repayable | <u>2,87,04,001</u> | <u>2,87,54,001</u> |
| | | <u>2,93,20,905</u> | <u>2,95,94,349</u> |
| 5 | LONG-TERM PROVISIONS | | |
| | Provision for Employee Benefits | | |
| | Gratuity | - | - |
| | Leave Encashment | <u>5,59,749</u> | <u>6,14,204</u> |
| | | <u>5,59,749</u> | <u>6,14,204</u> |

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

| | | 31-03-2017 | 31-03-2016 |
|----------|-------------------------------------------------------|--------------------|-------------|
| | | ₹ | ₹ |
| 6 | SHORT-TERM BORROWINGS | | |
| | Unsecured | | |
| | Loans from Related Parties - Foods & Inns Ltd. | 1,85,00,000 | 1,85,00,000 |
| | Muller & Phipps Agencies Ltd. | 4,00,000 | 4,00,000 |
| | | 1,89,00,000 | 1,89,00,000 |
| 7 | TRADE PAYABLES | | |
| | Advance Repayable | 1,84,06,789 | 1,84,06,789 |
| | Trade Payables | 65,39,946 | 71,02,747 |
| | | 2,49,46,735 | 2,55,09,536 |
| 8 | OTHER CURRENT LIABILITIES | | |
| | Interest Accrued and due on Borrowings | 99,10,554 | 78,70,839 |
| | Interest Accrued and due on Agents' Security Deposits | 3,81,313 | 3,58,902 |
| | Statutory Liabilities | 10,64,813 | 15,13,743 |
| | Employee related Liabilities | 15,47,595 | 19,50,705 |
| | Expense Creditors | 32,73,888 | 32,52,062 |
| | Others | 13,45,632 | 14,03,679 |
| | | 1,75,23,795 | 1,63,49,930 |
| 9 | SHORT-TERM PROVISIONS | | |
| | Provision for Employee Benefits | | |
| | Gratuity | 31,26,804 | 30,64,306 |
| | Leave Encashment | 4,05,726 | 4,01,802 |
| | Provision for Taxation | 1,61,000 | 25,000 |
| | | 36,93,530 | 34,91,108 |

10 FIXED ASSETS

| Particulars | Cost as at 01-04-2016 | Additions during the year | Deductions during the year | Cost as at 31-03-2017 | Total Depreciation as at 31-03-2017 | Impairment Provision as at 31-03-2017 | Net Value as at 31-03-2017 | Net Value as at 31-03-2016 |
|---------------------------|-----------------------|---------------------------|----------------------------|-----------------------|-------------------------------------|---------------------------------------|----------------------------|----------------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| TANGIBLE ASSETS | | | | | | | | |
| Plant and Machinery | 3,89,862 | - | - | 3,89,862 | 3,23,792 | - | 66,070 | 72,945 |
| Office Equipment | 19,56,350 | 39,640 | - | 19,95,990 | 17,54,067 | - | 2,41,923 | 2,16,910 |
| Furniture and Fixtures | 35,29,591 | - | - | 35,29,591 | 34,26,544 | - | 1,03,047 | 1,14,388 |
| Computer Equipment | 29,66,234 | - | - | 29,66,234 | 29,46,762 | - | 19,472 | 63,944 |
| Motor Vehicles | 8,28,722 | - | 8,28,722 | - | - | - | - | 2,62,137 |
| | 96,70,759 | 39,640 | 8,28,722 | 88,81,677 | 84,51,165 | - | 4,30,512 | 7,30,324 |
| INTANGIBLE ASSETS | | | | | | | | |
| Technical Know-how | 3,88,25,605 | - | - | 3,88,25,605 | 1,00,29,947 | 2,87,95,658 | - | - |
| TOTAL FIXED ASSETS | 4,84,96,364 | 39,640 | 8,28,722 | 4,77,07,282 | 1,84,81,112 | 2,87,95,658 | 4,30,512 | 7,30,324 |
| PREVIOUS YEAR | 4,84,96,364 | - | - | 4,84,96,364 | 1,88,76,242 | 2,87,95,658 | 7,30,324 | |



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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|----------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| 11 NON-CURRENT INVESTMENTS | | |
| Unquoted, Non-trade - at Cost | | |
| Shares in Subsidiary Companies - | | |
| 50,000 Equity Shares of ₹10 each fully paid up of Muller & Phipps (Agencies) Ltd. | 5,00,000 | 5,00,000 |
| 10,000 Equity Shares of ₹10 each fully paid up of Muller & Phipps (Industrial Services) Ltd. | 1,00,000 | 1,00,000 |
| 4,000 14% Cumulative Redeemable Preference Shares of ₹100 each fully paid up of Muller & Phipps (Industrial Services) Ltd. | 4,00,000 | 4,00,000 |
| | <u>10,00,000</u> | <u>10,00,000</u> |
| Less: Provision for diminution in value of shares | 9,00,000 | 9,00,000 |
| | <u>1,00,000</u> | <u>1,00,000</u> |
| 12 LONG-TERM LOANS AND ADVANCES | | |
| Unsecured, Considered Good unless otherwise specified | | |
| Security Deposits | 28,11,458 | 28,14,458 |
| Advances to related parties | | |
| Due from Muller and Phipps (Industrial Services) Ltd.- Considered good | - | - |
| - Considered doubtful | 12,53,954 | 11,98,597 |
| Advances others - Considered good | 1,26,327 | 1,26,327 |
| - Considered doubtful | - | - |
| Advance Tax and Tax Refunds Due | 67,13,864 | 67,14,399 |
| | <u>1,09,05,604</u> | <u>1,08,53,781</u> |
| Less: Provision for Doubtful Advances | 12,53,954 | 11,98,597 |
| | <u>96,51,650</u> | <u>96,55,184</u> |
| 13 OTHER NON-CURRENT ASSETS | | |
| Unsecured, Considered Good | | |
| Receivable from related party - Getz Bros Co. Ltd. | 2,87,54,011 | 2,87,54,011 |
| | <u>2,87,54,011</u> | <u>2,87,54,011</u> |
| 14 INVENTORIES | | |
| Cosmetics / Toiletries | 33,752 | 16,165 |
| Medicated Preparations | 4,10,212 | 85,997 |
| | <u>4,43,964</u> | <u>1,02,162</u> |
| 15 TRADE RECEIVABLES | | |
| Unsecured, Considered Good unless otherwise specified | | |
| Debts overdue for more than six months - Considered good | - | - |
| - Considered doubtful | 87,005 | 69,640 |
| | <u>87,005</u> | <u>69,640</u> |
| Other Debts- Considered good | 54,84,020 | 48,06,768 |
| | <u>55,71,025</u> | <u>48,76,408</u> |
| Less: Provision for Doubtful Debts | 87,005 | 69,640 |
| | <u>54,84,020</u> | <u>48,06,768</u> |

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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|--------------------------------------------------------|--------------------|--------------------|
| 16 CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| On Current Account | 9,03,868 | 3,10,298 |
| On Savings Account | 28,254 | 27,884 |
| | <u>9,32,122</u> | <u>3,38,182</u> |
| Other Bank Balances | | |
| Margin Money with Bank | 81,423 | 2,48,339 |
| Cash on hand | 10,045 | 46,730 |
| | <u>10,23,591</u> | <u>6,33,250</u> |
| 17 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured, Considered Good | | |
| Loans to Employees | 13,760 | 21,760 |
| Prepaid Expenses | 72,938 | 87,728 |
| | <u>86,698</u> | <u>1,09,488</u> |
| 18 REVENUE FROM OPERATIONS | | |
| Sale of Traded Goods | | |
| Cosmetics / Toiletries | 29,16,121 | 42,79,807 |
| Medicated Preparations | 3,14,22,444 | 3,07,15,887 |
| | <u>3,43,38,565</u> | <u>3,49,95,694</u> |
| 19 OTHER INCOME | | |
| Interest from Bank Deposits | 59,288 | 2,908 |
| Credit Balances written back | 29,26,235 | 27,94,600 |
| Provision for expenses written back | 49,598 | 8,13,202 |
| Provision for Doubtful Debts Reversed | - | 10,084 |
| Provision for Leave Encashment | - | 1,28,120 |
| Miscellaneous Income | 59,000 | 8,480 |
| | <u>30,94,121</u> | <u>37,57,394</u> |
| 20 PURCHASES (NET OF RETURNS) OF STOCK-IN-TRADE | | |
| Cosmetics / Toiletries | 23,51,225 | 30,37,385 |
| Medicated Preparations | 1,52,35,795 | 1,47,54,869 |
| | <u>1,75,87,021</u> | <u>1,77,92,253</u> |



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

| | 31-03-2017 | 31-03-2016 |
|-------------------------------------------------------------|-------------------|------------------|
| | ₹ | ₹ |
| 21 CHANGES IN INVENTORIES OF FINISHED GOODS | | |
| Opening Stock of Finished Goods | | |
| Cosmetics / Toiletries | 16,165 | 73,651 |
| Medicated Preparations | 85,997 | 81,466 |
| | <u>1,02,162</u> | <u>1,55,117</u> |
| Less : Closing Stock of Finished Goods | | |
| Cosmetics / Toiletries | 33,752 | 16,165 |
| Medicated Preparations | 4,10,212 | 85,997 |
| | <u>4,43,964</u> | <u>1,02,162</u> |
| Decrease / (Increase) in inventory of Finished Goods | <u>(3,41,802)</u> | <u>52,955</u> |
| 22 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Allowances and Bonus | 60,95,299 | 65,45,219 |
| Contribution to Provident and Other Funds | 3,24,229 | 3,66,272 |
| Gratuity | 1,37,498 | 71,443 |
| Provision for Leave Encashment | - | 70,113 |
| Staff Welfare Expenses | 6,16,489 | 7,09,314 |
| | <u>71,73,515</u> | <u>77,62,361</u> |
| 23 FINANCE COSTS | | |
| Interest on Intercorporate Loans | 23,12,498 | 29,88,163 |
| Interest Others | 1,01,219 | 1,25,350 |
| | <u>24,13,717</u> | <u>31,13,513</u> |
| 24 DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation on Tangible Assets | 1,13,187 | 94,139 |
| | <u>1,13,187</u> | <u>94,139</u> |
| 25 OTHER EXPENSES | | |
| Rent | 16,94,421 | 17,93,482 |
| Repairs and Maintenance-Others | 76,571 | 71,403 |
| Insurance | 38,392 | 41,495 |
| Rates and Taxes | 7,06,447 | 4,69,440 |
| Electricity | 1,69,843 | 2,71,692 |
| Travel and Conveyance | 17,53,642 | 18,65,477 |
| Postage, Telegram and Telephones | 2,72,535 | 3,11,867 |
| Brokerage | 7,250 | - |
| Directors Fees | 35,000 | 45,000 |
| Auditors Remuneration | 1,63,731 | 1,35,419 |
| Freight, Packing and Forwarding | 11,77,824 | 12,26,731 |
| Advertising and Sale Promotion | 5,37,196 | 6,08,190 |
| C & F Agents Service Charges | 1,14,561 | 3,43,942 |

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

| | 31-03-2017 | 31-03-2016 |
|------------------------------------------------------|------------------|--------------------|
| | ₹ | ₹ |
| Cash Discount | 2,65,581 | 2,53,271 |
| Loss on sale of fixed assets | 1,01,840 | - |
| Fixed Asset written off | 27,079 | - |
| Provision for Doubtful Advances | 72,722 | 70,026 |
| Miscellaneous Expenses | 25,38,741 | 30,64,601 |
| | <u>97,53,377</u> | <u>1,05,72,035</u> |
| 26 Contingent liabilities not provided for | | |
| a) Disputed Sales Tax demands | 21,47,000 | 21,47,000 |
| b) Disputed Income tax demands (including penalty) | - | 2,79,950 |
| c) Guarantees given by bank on behalf of the company | 50,000 | 50,000 |
| 27 Auditors' Remuneration | | |
| Audit Fees | 69,000 | 68,700 |
| For Tax Audit | 23,000 | 22,900 |
| For Others services, certification etc. | 69,040 | 41,140 |
| Out of Pocket Expenses | 2,691 | 2,679 |
| | <u>1,63,731</u> | <u>1,35,419</u> |

28 The Company has not received any intimation from suppliers/creditors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act has not been made.

29 Deferred Tax Asset on carried forward losses and unabsorbed depreciation and other timing differences as at 31st March, 2017 has not been recognized as there is no virtual/reasonable certainty that the same can be realised in the future.

30 Names of related parties and description of relationship

a Where control exists:

Holding Company :

Development Holding Asia Ltd.

Subsidiaries :

Muller and Phipps (Industrial Services) Ltd.

Muller and Phipps Agencies Ltd.

b Other parties where the company has entered in transaction during the year

Fellow Subsidiary:

Getz Bros. Company Limited

Associates:

Foods and Inns Ltd.

Western Press Pvt Ltd.

Pharmpak Pvt. Ltd.

Key Managerial Personnel

Mr. Milan Dalal - Director



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

31 Related Party Disclosure

The transactions with Related Parties during the year were as follows :

| Particulars | Fellow Subsidiary | | Subsidiaries | | Associates | | | | Key Management Personnel | |
|--------------------------------|-------------------|-------------|-------------------------------|--------------------------------------------|---------------------|-------------------------|---------------------------|------------------|--------------------------|------------|
| | 31-03-2017 | 31-03-2016 | Muller & Phipps Agencies Ltd. | Muller & Phipps (Industrial Services) Ltd. | Foods and Inns Ltd. | Western Press Pvt. Ltd. | Pharmapak Private Limited | Mr. Milian Dalal | 31-03-2017 | 31-03-2016 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Nature of Transactions | | | | | | | | | | |
| Purchase of Goods | - | - | - | - | 18,35,700 | - | - | 50,58,184 | - | - |
| Directors Fees | - | - | - | - | - | - | - | - | 20,000 | 20,000 |
| Printing and Stationery | - | - | - | - | - | 1,04,153 | 97,807 | - | - | - |
| Interest Expenses | - | 32,000 | 32,000 | - | 23,12,488 | 29,88,163 | - | - | - | - |
| Doubtful Advances provided | - | - | - | 55,357 | - | - | - | - | - | - |
| Inter corporate Loans received | - | - | - | - | - | - | - | - | - | - |
| Inter corporate Loans re-paid | - | - | - | - | - | - | - | - | - | - |
| Outstanding at year-end | | | | | | | | | | |
| Inter corporate Loans payable | - | 4,00,000 | 4,00,000 | - | 1,85,00,000 | 1,85,00,000 | - | - | - | - |
| Loans and Advances given | - | - | - | 12,53,954 | - | - | - | - | - | - |
| Other Receivables | 2,87,54,011 | 2,87,54,011 | - | - | - | - | - | - | - | - |
| Payables | 4,71,10,790 | 4,71,60,790 | - | - | 11,35,700 | 28,93,044 | 46,96,332 | 6,30,221 | 5,26,028 | - |
| Interest Payable | - | - | 87,180 | - | 98,23,374 | 77,83,568 | - | - | - | - |
| Doubtful Advances Provision | - | - | - | 12,53,954 | - | - | - | - | - | - |

32 SEGMENT DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2017

| I) | Primary Segment-Business | Cosmetic/Toiletry | | Medicated preparation | | Others | | Total | |
|----|----------------------------------------------------------|-------------------|------------|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| a) | Sales To External Customers | 29,16,121 | 42,79,807 | 3,14,22,444 | 3,07,15,887 | - | - | 3,43,38,565 | 3,49,95,694 |
| | Total Segment Revenue | 29,16,121 | 42,79,807 | 3,14,22,444 | 3,07,15,887 | - | - | 3,43,38,565 | 3,49,95,694 |
| b) | Segment Result (PBIT) | (3,51,786) | (1,89,825) | 57,66,790 | 60,09,575 | - | - | 54,15,004 | 58,19,750 |
| | Less : Interest & Finance Charges | - | - | - | - | - | - | 24,13,717 | 31,13,513 |
| | Less : Unallocable expenditure net of Unallocable income | - | - | - | - | - | - | 22,67,616 | (33,40,406) |
| | Profit / (Loss) Before Tax and exceptional items | - | - | - | - | - | - | 7,33,671 | (6,34,169) |
| | Profit / (Loss) Before Tax | - | - | - | - | - | - | 7,33,671 | (6,34,169) |
| | Current Tax | - | - | - | - | - | - | 1,36,000 | - |
| | Provision for Deferred Tax | - | - | - | - | - | - | - | - |
| | Profit / (Loss) After Tax | - | - | - | - | - | - | 5,97,671 | (6,34,169) |
| c) | Carrying amount of segment | | | | | | | | |
| | Assets | 4,71,080 | 5,92,977 | 54,39,478 | 43,15,953 | - | - | 59,10,558 | 49,08,930 |
| | Unallocated Assets | - | - | - | - | - | - | 4,00,63,888 | 3,99,82,258 |
| | Total Assets | - | - | - | - | - | - | 4,59,74,446 | 4,48,91,188 |
| d) | Carrying amount of segment | | | | | | | | |
| | Liabilities | 7,33,463 | 9,34,930 | 46,96,332 | 30,26,157 | 1,97,91,105 | 2,15,48,449 | 2,52,20,900 | 2,55,09,536 |
| | Unallocated Liabilities | - | - | - | - | - | - | 6,97,23,814 | 6,89,49,591 |
| | Total Liabilities | - | - | - | - | - | - | 9,49,44,714 | 9,44,59,127 |
| e) | Cost incurred to acquire segment | | | | | | | | |
| | Fixed assets during year | - | - | - | - | - | - | - | - |
| | Unallocated Assets | - | - | - | - | - | - | 39,640 | - |
| f) | Depreciation/ Amortization | | | | | | | | |
| | Unallocated Assets | - | - | - | - | - | - | 1,13,187 | 94,139 |

The Common expenses has been allocated to segment on the basis of turnover of the segment to arrive at segment result.



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

33 Disclosure as per Accounting Standard 15 (Revised)

As per Accounting Standard 15 “ Employee Benefits “, the disclosure of employees benefits as Defined in the Accounting Standard are given below.

Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognized as expenses for the year are as under:

Employer's Contribution to Provident Fund
Employer's Contribution to Superannuation Fund

| | 31-03-2017 | 31-03-2016 |
|--|-----------------|------------|
| | ₹ | ₹ |
| | 2,90,123 | 2,84,605 |
| | - | - |

Defined Benefit Plan :

Gratuity Scheme

The employees gratuity scheme is a funded defined benefit scheme managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

| | 31-03-2017 | 31-03-2016 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|
| | ₹ | ₹ |
| Leave Encashment Scheme | | |
| The obligation for leave encashment which is a non funded long term employee scheme is recognized based on actuarial valuation. | | |
| The Disclosure in the respect of above Gratuity benefit Scheme as given below | | |
| I Actuarial Assumptions | | |
| Discount Rate | 7.10% | 7.85% |
| Rate of Return | 8% | 8% |
| Salary Escalation | 4% | 5% |
| The rate of increase in compensation considered above takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. | | |
| II Change in Present Value Of Obligation | | |
| Value of Obligation at the beginning of year | 30,72,792 | 33,34,496 |
| Interest Cost | 1,71,092 | 1,96,111 |
| Current Service Cost | 1,10,440 | 1,30,042 |
| Benefits Paid | - | (3,10,269) |
| Actuarial Gain / (Loss) on Obligation | (1,92,594) | (2,77,588) |
| Value of Obligation at the end of year | 31,61,730 | 30,72,792 |
| III Changes in Fair Value Of Plan Assets | | |
| Fair Value of plan Assets at the beginning of year | 8,486 | 2,81,633 |
| Expected Return On Plan Assets | - | 25,551 |
| Contribution | 75,000 | 34,438 |
| Benefits Paid | - | (3,10,269) |
| Actuarial Gain / (Loss) on Plan Assets | (7,253) | (22,867) |
| Fair Value of plan Assets at the end of year | 76,233 | 8,486 |

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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|------------------------------------------------------------------|------------------|------------------|
| IV Amounts to be Recognized in the Balance Sheet | | |
| Present Value of obligation at end of the year | 31,61,730 | 30,72,792 |
| Fair Value of plan Assets at end of the year | (76,233) | (8,486) |
| Funded Status | <u>30,85,497</u> | <u>30,64,306</u> |
| Unrecognized Actuarial Gain / (Loss) | - | - |
| Payable to retired employee's | - | - |
| Net Asset (Liability) recognized in the Balance Sheet | <u>30,85,497</u> | <u>30,64,306</u> |
| V Expenses Recognized in the Statement of Profit and Loss | | |
| Current Service cost | 1,10,440 | 1,30,042 |
| Interest Cost | 1,71,092 | 1,96,111 |
| Expected Return On Plan Assets | - | (25,551) |
| Net Actuarial Gain / (Loss) recognized for the year | (1,85,341) | (2,54,721) |
| Payable to retired employee's | - | - |
| Expenses recognized in the statement of Profit and Loss Account | <u>96,191</u> | <u>45,881</u> |
| VI Movement in the Liability Recognized in Balance Sheet | | |
| Opening Net Liability | 30,64,306 | 30,52,863 |
| Expenses as Above | 96,191 | 45,881 |
| Contribution Paid | (75,000) | (34,438) |
| Closing Net Liability | <u>30,85,497</u> | <u>30,64,306</u> |

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-------------------------------------------------------|-----------------|-----------------|
| 34 Earnings Per Share (EPS) | | |
| A Profit/(Loss) Attributable to Equity Shareholders | 5,97,671 | (6,34,169) |
| B Number of Equity Shares Outstanding during the year | 6,25,000 | 6,25,000 |
| C Nominal Value of Equity Shares | 10 | 10 |
| Basic Earning/Diluted Per Share (₹) (A/B) | 0.96 | (1.01) |

35 The summary of cash transactions between the period 8th November, 2016 to 31st December, 2016 is as under :

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|--------|--------------------------|----------|
| | ₹ | ₹ | ₹ |
| Closing cash in hand as on 08.11.2016 | 50,000 | 8,476 | 58,476 |
| Add: Permitted Receipts | 53,000 | 4,55,121 | 5,08,121 |
| Less: Permitted Payments | 50,000 | 4,05,644 | 4,55,644 |
| Less: Amount Deposited in Banks | 53,000 | - | 53,000 |
| Closing cash in hand as on 31.12.2016 | - | 57,953 | 57,953 |



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

36 The Financial Statements have been prepared on going concern basis although the net worth of the Company has been completely eroded, in view of the future business plans which will allow the Company to carry out its business profitably.

As per our Report Attached

For Ford Rhodes Parks & Co. LLP

Chartered Accountants

Firm's Registration No.102860W / W100089

MILAN DALAL

Director

DIN No. 00062453

Shrikant Prabhu

Partner

Membership No. 35296

RAY SIMKINS

Director

DIN No. 01573312

Mumbai

Dated: 18th May, 2017

Singapore

Dated: 17th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Muller & Phipps (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Muller & Phipps (India) Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the 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 statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

The financial statements have been prepared on a going concern basis by the management although the net worth of the Group has been completely eroded and there are no profits from operational activities, on the basis that they have business plans for profitable operations in the future (Refer Note No. 35). However, no such plans have been shown or explained to us to our satisfaction and hence we are unable to form any opinion on the going concern status of the Group.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of the two subsidiaries, whose financial statements / financial information reflect total assets of ₹ 544,468 as at 31st March, 2017, total revenues of ₹ 79,106 and net cash inflows amounting to ₹ 3,218 for the year then ended on that date, as considered in the consolidated financial statements.



These financial statements / financial information have been audited by other auditor 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 subsidiaries, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

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 auditor 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, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The reports on the accounts of its subsidiaries incorporated in India audited by the other auditor have been properly dealt with in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - (g) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164 (2) of the Act
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure I"; and
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group - Refer Note 25 to the consolidated financial statements.
 - ii. The Group neither entered into any derivative contracts during the year nor were there any outstanding derivative contracts at the end of the year.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies in the Group during the year.
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 34 to the consolidated financial statements.

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No. 102860W/W100089

Place: Mumbai
Date: 18th May, 2017

Shrikant Prabhu
Partner
Membership No. 35296

Annexure I**Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Muller & Phipps (India) Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Muller & Phipps (India) Limited ("the Holding Company") and its subsidiary companies incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These 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.

Auditors' 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No. 102860W/W100089

Place: Mumbai
Date: 18th May, 2017

Shrikant Prabhu
Partner
Membership No. 35296



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

| | Note No. | 31-03-2017 ₹ | 31-03-2016 ₹ |
|------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 62,50,000 | 62,50,000 |
| Reserves and Surplus | 3 | <u>(5,52,26,724)</u> | <u>(5,58,73,776)</u> |
| | | <u>(4,89,76,724)</u> | <u>(4,96,23,776)</u> |
| Non-Current Liabilities | | | |
| Long-term Liabilities | 4 | 2,93,20,905 | 2,95,94,349 |
| Long-term Provisions | 5 | 5,59,749 | 6,14,204 |
| | | <u>2,98,80,654</u> | <u>3,02,08,553</u> |
| Current Liabilities | | | |
| Short-term Borrowings | 6 | 1,85,00,000 | 1,85,00,000 |
| Trade Payables | 7 | 2,53,97,654 | 2,60,06,709 |
| Other Current Liabilities | 8 | 1,74,36,615 | 1,62,62,659 |
| Short-term Provisions | 9 | 36,93,530 | 34,91,108 |
| | | <u>6,50,27,799</u> | <u>6,42,60,476</u> |
| TOTAL | | <u><u>4,59,31,729</u></u> | <u><u>4,48,45,253</u></u> |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets : | 10 | | |
| Tangible Assets | | 4,32,012 | 7,31,824 |
| Intangible Assets | | - | - |
| | | <u>4,32,012</u> | <u>7,31,824</u> |
| Long-term Loans and Advances | 11 | 96,51,650 | 96,55,184 |
| Other Non-Current Assets | 12 | 2,87,54,011 | 2,87,54,011 |
| | | <u>3,88,37,673</u> | <u>3,91,41,019</u> |
| Current Assets | | | |
| Inventories | 13 | 4,43,964 | 1,02,162 |
| Trade Receivables | 14 | 54,84,020 | 48,06,768 |
| Cash and Bank Balances | 15 | 10,64,877 | 6,71,320 |
| Short-term Loans and Advances | 16 | 1,01,195 | 1,23,985 |
| Other Current Assets | | - | - |
| | | <u>70,94,056</u> | <u>57,04,234</u> |
| TOTAL | | <u><u>4,59,31,729</u></u> | <u><u>4,48,45,253</u></u> |
| Notes to the Financial Statements and Significant Accounting Policies | 1 to 34 | | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per our Report attached For Ford Rhodes Parks & Co. LLP Chartered Accountants Firm's Registration No.102860W / W100089 | | MILAN DALAL Director DIN No. 00062453 | |
| Shrikant Prabhu Partner Membership No. 35296 | | RAY SIMKINS Director DIN No. 01573312 | |
| Mumbai Dated: 18th May, 2017 | | Singapore Dated: 17 th May, 2017 | |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-------------------------------------------------------------------------|----------------|--------------------|--------------------|
| INCOME | | | |
| Revenue from Operations | 17 | 3,43,38,565 | 3,49,95,694 |
| Other Income | 18 | 31,41,117 | 37,57,394 |
| TOTAL REVENUE | | 3,74,79,682 | 3,87,53,088 |
| EXPENDITURE | | | |
| Purchases (net of returns) of Stock- in-trade | 19 | 1,75,87,021 | 1,77,92,254 |
| Changes in Inventories of Finished Goods | 20 | (3,41,802) | 52,955 |
| Employee Benefits Expense | 21 | 71,73,515 | 77,62,361 |
| Finance Costs | 22 | 23,81,607 | 30,81,403 |
| Depreciation and Amortisation Expense | 23 | 1,13,187 | 94,139 |
| Other Expenses | 24 | 97,83,102 | 1,06,75,371 |
| TOTAL EXPENSES | | 3,66,96,630 | 3,94,58,483 |
| PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | 7,83,052 | (7,05,395) |
| Compensation received for surrender of Tenancy Rights | | - | - |
| PROFIT / (LOSS) BEFORE TAX | | 7,83,052 | (7,05,395) |
| Current Tax | | 1,36,000 | - |
| Deferred Tax Adjustment - Debit / (Credit) | | - | - |
| PROFIT / (LOSS) FOR THE YEAR | | 6,47,052 | (7,05,395) |
| Earning per Share - Basic and Diluted (see note no. 33) | | 1.04 | (1.13) |
| Notes to the Financial Statements and Significant Accounting Policies | 1 to 34 | | |
| The accompanying notes are an integral part of the financial statements | | | |

As per our Report Attached

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No.102860W / W100089

MILAN DALAL
Director
DIN No. 00062453

Shrikant Prabhu
Partner
Membership No. 35296

RAY SIMKINS
Director
DIN No. 01573312

Mumbai

Singapore

Dated: 18th May, 2017Dated: 17th May, 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | 31-03-2017 | | 31-03-2016 | |
|---------------------------------------------------------------|------------|-------------|------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) Before Tax and Prior Period Items | | 7,83,052 | | (7,05,395) |
| Adjustments for | | | | |
| Depreciation | 1,13,187 | | 94,139 | |
| Profit / (Loss) on Sale of Fixed Assets | 1,28,920 | | - | |
| Interest and Finance Charges Expenses | 23,81,607 | 26,23,714 | 30,81,403 | 31,75,542 |
| Operating Profit/(Loss) before Working Capital Changes | | 34,06,766 | | 24,70,147 |
| Adjustment for | | | | |
| (Increase)/Decrease in Trade and Other Receivables | | (6,51,462) | | 15,57,763 |
| (Increase)/Decrease in Inventories | | (3,41,802) | | 52,955 |
| Increase/(Decrease) in Sundry Creditors and Other Liabilities | | (16,22,794) | | (38,01,727) |
| Cash Used in Operations | | 7,90,708 | | 2,79,138 |
| Taxes Paid | | (1,35,465) | | (1,824) |
| Cash Flow before Prior Period items | | 6,55,243 | | 2,77,314 |
| Compensation received for surrender of Tenancy Rights | | - | | - |
| Net Cash Used in Operating Activities | | 6,55,243 | | 2,77,314 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | | (39,640) | | - |
| Sale of Fixed Assets | | 97,345 | | - |
| Investment / (encashment) - Margin Money Deposits | | - | | - |
| Net Cash from Investing Activities | | 57,705 | | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Cash Credit (net) | | - | | - |
| Intercompany and Other Loans (net) | | - | | - |
| Interest Paid | | (3,19,390) | | (3,83,421) |
| Net Cash used in Financing Activities | | (3,19,390) | | (3,83,421) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | 3,93,558 | | (1,06,107) |
| Cash and Cash Equivalents as at beginning of the year | | 6,71,319 | | 7,77,426 |
| Cash and Cash Equivalents as at close of the year | | 10,64,877 | | 6,71,319 |

As per our Report Attached
 For Ford Rhodes Parks & Co. LLP
 Chartered Accountants
 Firm's Registration No. 102860W / W100089

MILAN DALAL
 Director
 DIN No. 00062453

Shrikant Prabhu
 Partner
 Membership No. 35296

RAY SIMKINS
 Director
 DIN No. 01573312

Mumbai
 Dated: 18th May, 2017

Singapore
 Dated: 17th May, 2017

Consolidated Significant Accounting Policies and Notes to the Financial Statements for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Principles of Consolidation

The consolidated financial statements relate to Muller & Phipps (India) Ltd (the Company) and its wholly owned Subsidiary Companies. The consolidated financial statements have been prepared on the following basis :

The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book Value of like items of assets, liabilities, income and expenses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same manner as the Company's separate financial statements.

The Subsidiary Companies considered in the consolidated financial statements are :

| Name of the Company | Country of Incorporation | % of Holdings |
|-----------------------------------------------|--------------------------|---------------|
| Muller & Phipps (Industrial Services) Limited | India | 100 |
| Muller & Phipps Agencies Limited | India | 100 |

1.2 Other Significant Accounting Policies

These are set out in the notes to financial statements under 'Significant Accounting Policies' of the financial statements of the Company, Muller & Phipps (Industrial Services) Limited & Muller & Phipps Agencies Limited.

1.3 FIXED ASSETS AND DEPRECIATION

- Fixed assets are stated at acquisition cost less accumulated depreciation.
- Depreciation on Tangible assets are provided by written down value method over the estimated useful life prescribed under part "C" Schedule II of Companies Act, 2013, keeping a residual value of 5%.
- Technical Know-how is depreciated equally over a period of 20 years starting from the month in which Technical Know-how has been put to use.
- Trade Marks/Brand are depreciated equally over 10 years starting from the month in which the Trade Marks/ Brand have been acquired.
- Impairment in the carrying value of the fixed assets is recognised in accordance with Accounting Standard No. 28 - ' Impairment of Assets'.

1.4 INVENTORIES

- Raw material and packing material are valued at cost on FIFO basis or net realizable value whichever is lower
- Process stock is valued at material cost or net realizable value whichever is lower.
- Finished goods are valued at cost or net realizable value whichever is lower. Cost in respect of own manufactured goods includes material cost, direct labour and attributable production overheads.

1.5 REVENUE RECOGNITION

All income and expenditure items are recognised on accrual basis. Payments to employees under voluntary retirement schemes are deferred and written off equally over a period of 5 years starting from the year in which payment is made.

Preliminary expenses are amortized over a period of 10 years.

1.6 EMPLOYEE/RETIREMENT BENEFITS

The Company has made arrangements with the Life Insurance Corporation of India through Gratuity Fund and Superannuation Fund for meeting its employee retirement liability. The liability for gratuity is calculated on basis of actuarial valuation a reduced by funded amount.

Leave encashment benefit is provided for based on actuarial valuation basis.

1.7 FOREIGN CURRENCY TRANSLATION

Foreign currency transaction are booked at the exchange rate prevailing at the date of the transaction. Exchange loss/gain on realisation/payment is booked to exchange fluctuation.

Foreign currency assets and liabilities outstanding as at the year end, if any, are translated at the year end exchange rates.

1.8 TAXATION

Provision for taxes is made based on the current applicable tax rates. Adjustment for deferred tax is made based on the tax effect of timing differences resulting from the recognition of items in the financial statements and their allowance under the tax laws, subject to the consideration of prudence. The effect on deferred tax of a change in income tax rates is recognised in the period that includes the enactment date.



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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|---------------------------------------------|--------------------|--------------------|
| 2 SHARE CAPITAL | | |
| Authorised | | |
| 20,00,000 Equity Shares of ₹ 10 each | <u>2,00,00,000</u> | <u>2,00,00,000</u> |
| Issued, Subscribed and Fully Paid-up | | |
| 6,25,000 Equity Shares of ₹ 10 each | <u>62,50,000</u> | <u>62,50,000</u> |
| | <u>62,50,000</u> | <u>62,50,000</u> |

2.1 Rights and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

2.2 Shares held by Holding Company

Out of the above equity shares, 3,22,680 (previous year 3,22,680) shares are held by Holding Company - M/s. Development Holding Asia Ltd.

2.3 Details of Shareholders holding more than 5% of the total Equity Shares

| NAME OF THE SHAREHOLDER | 31-03-2017 | | 31-03-2016 | |
|--------------------------------------------|---------------|---------------|---------------|---------------|
| | No. of Shares | % of Holdings | No. of Shares | % of Holdings |
| Development Holding Asia Ltd. | 3,22,680 | 51.63% | 3,22,680 | 51.63% |
| Swar Investments and Trading Co. Pvt. Ltd. | 56,350 | 9.02% | 56,350 | 9.02% |
| Satyajyothi Holding Pvt. Ltd. | 49,525 | 7.92% | 49,525 | 7.92% |

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|--------------------------------------|----------------------|----------------------|
| 3 RESERVES AND SURPLUS | | |
| Share Premium | <u>2,25,00,000</u> | 2,25,00,000 |
| Surplus / (Deficit) | | |
| As per last Balance Sheet | <u>(7,83,73,776)</u> | (7,76,68,381) |
| Profit / (Loss) for the year | <u>6,47,052</u> | (7,05,395) |
| | <u>(7,77,26,724)</u> | <u>(7,83,73,776)</u> |
| | <u>(5,52,26,724)</u> | <u>(5,58,73,776)</u> |
| 4 OTHER LONG-TERM LIABILITIES | | |
| Security Deposits from C & F Agents | <u>6,16,904</u> | 8,40,348 |
| Advance Repayable | <u>2,87,04,001</u> | 2,87,54,001 |
| | <u>2,93,20,905</u> | <u>2,95,94,349</u> |

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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-------------------------------------------------------|--------------------|--------------------|
| 5 LONG-TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| Gratuity | - | - |
| Leave Encashment | 5,59,749 | 6,14,204 |
| | 5,59,749 | 6,14,204 |
| 6 SHORT-TERM BORROWINGS | | |
| Unsecured | | |
| Loans from Related Parties - Foods & Inns Ltd | 1,85,00,000 | 1,85,00,000 |
| | 1,85,00,000 | 1,85,00,000 |
| 7 TRADE PAYABLES | | |
| Advance Repayable | 1,84,06,789 | 1,84,06,789 |
| Trade Payables | 69,90,865 | 75,99,920 |
| | 2,53,97,654 | 2,60,06,709 |
| 8 OTHER CURRENT LIABILITIES | | |
| Interest Accrued and due on Borrowings | 98,23,374 | 77,83,568 |
| Interest Accrued and due on Agents' Security Deposits | 3,81,313 | 3,58,902 |
| Statutory Liabilities | 10,64,813 | 15,13,743 |
| Employee related Liabilities | 15,47,595 | 19,50,705 |
| Expense Creditors | 32,73,888 | 32,52,062 |
| Others | 13,45,632 | 14,03,679 |
| | 1,74,36,615 | 1,62,62,659 |
| 9 SHORT-TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| Gratuity | 31,26,804 | 30,64,306 |
| Leave Encashment | 4,05,726 | 4,01,802 |
| Provision for Taxation | 1,61,000 | 25,000 |
| | 36,93,530 | 34,91,108 |

10 FIXED ASSETS

| Particulars | Cost as at | Additions | Deductions | Cost as at | Total | Impairment | Net Value | Net Value |
|---------------------------|--------------------|---------------|-----------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| | 01-04-2016 | during | during | 31-03-2017 | Depreciation | Provision | as at | as at |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| TANGIBLE ASSETS | | | | | | | | |
| Plant and Machinery | 3,89,862 | - | - | 3,89,862 | 3,23,792 | - | 66,070 | 72,945 |
| Office Equipment | 19,86,350 | 39,640 | - | 20,25,990 | 17,82,567 | - | 2,43,423 | 1,88,410 |
| Furniture and Fixtures | 35,29,591 | - | - | 35,29,591 | 34,26,544 | - | 1,03,047 | 1,14,388 |
| Computer Equipment | 29,66,234 | - | - | 29,66,234 | 29,46,762 | - | 19,472 | 93,944 |
| Motor Vehicles | 8,28,722 | - | 8,28,722 | - | - | - | - | 2,62,137 |
| | 97,00,759 | 39,640 | 8,28,722 | 89,11,677 | 84,79,665 | - | 4,32,012 | 7,31,824 |
| INTANGIBLE ASSETS | | | | | | | | |
| Technical Know-how | 3,88,25,605 | - | - | 3,88,25,605 | 1,00,29,947 | 2,87,95,658 | - | - |
| TOTAL FIXED ASSETS | 4,85,26,364 | 39,640 | 8,28,722 | 4,77,37,282 | 1,85,09,612 | 2,87,95,658 | 4,32,012 | 7,31,824 |
| PREVIOUS YEAR | 4,85,26,364 | - | - | 4,85,26,364 | 1,89,98,882 | 2,87,95,658 | 7,31,824 | - |



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

| | 31-03-2017 | 31-03-2016 |
|--------------------------------------------------------------|--------------------|--------------------|
| | ₹ | ₹ |
| 11 LONG-TERM LOANS AND ADVANCES | | |
| Unsecured, Considered Good unless otherwise specified | | |
| Security Deposits | 28,11,458 | 28,14,458 |
| Advances others - Considered good | 1,26,327 | 1,26,327 |
| - Considered doubtful | - | - |
| Advance Tax and Tax Refunds Due | 67,13,864 | 67,14,399 |
| | <u>96,51,650</u> | <u>96,55,184</u> |
| Less: Provision for Doubtful Advances | - | - |
| | <u>96,51,650</u> | <u>96,55,184</u> |
| 12 OTHER NON-CURRENT ASSETS | | |
| Unsecured, Considered Good | | |
| Receivable from related party - Getz Bros Co. Ltd. | 2,87,54,011 | 2,87,54,011 |
| | <u>2,87,54,011</u> | <u>2,87,54,011</u> |
| 13 INVENTORIES | | |
| Cosmetics / Toiletries | 33,752 | 16,165 |
| Medicated Preparations | 4,10,212 | 85,997 |
| | <u>4,43,964</u> | <u>1,02,162</u> |
| 14 TRADE RECEIVABLES | | |
| Unsecured, Considered Good unless otherwise specified | | |
| Debts overdue for more than six months - Considered good | - | - |
| - Considered doubtful | 87,005 | 69,640 |
| | <u>87,005</u> | <u>69,640</u> |
| Other Debts- Considered good | 54,84,020 | 48,06,768 |
| | <u>55,71,025</u> | <u>48,76,408</u> |
| Less: Provision for Doubtful Debts | 87,005 | 69,640 |
| | <u>54,84,020</u> | <u>48,06,768</u> |
| 15 CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| On Current Account | 9,43,759 | 3,46,971 |
| On Savings Account | 28,254 | 27,884 |
| | <u>9,72,013</u> | <u>3,74,854</u> |
| Other Bank Balances | | |
| Margin Money with Bank | 81,423 | 2,48,339 |
| | | |
| Cash on hand | 11,440 | 48,125 |
| | <u>10,64,877</u> | <u>6,71,320</u> |

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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|--------------------------------------------------------------|--------------------|--------------------|
| 16 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured, Considered Good | | |
| Advances recoverable in cash or kind or value to be received | 14,497 | 14,497 |
| Loans to Employees | 13,760 | 21,760 |
| Prepaid Expenses | 72,938 | 87,728 |
| | <u>101,195</u> | <u>1,23,985</u> |
| 17 REVENUE FROM OPERATIONS | | |
| Sale of Traded Goods | | |
| Cosmetics / Toiletries | 29,16,121 | 42,79,807 |
| Medicated Preparations | 3,14,22,444 | 3,07,15,887 |
| | <u>3,43,38,565</u> | <u>3,49,95,694</u> |
| 18 OTHER INCOME | | |
| Interest from Bank Deposits | 59,288 | 2,908 |
| Credit Balances written back | 29,26,235 | 27,94,600 |
| Provision for expenses written back | 49,598 | 8,13,202 |
| Provision for Doubtful Debts Reversed | - | 10,084 |
| Provision for Leave Encashment | - | 1,28,120 |
| Foreign Exchange Flutation Gain | 46,996 | - |
| Miscellaneous Income | 59,000 | 8,480 |
| | <u>31,41,117</u> | <u>37,57,394</u> |
| 19 PURCHASES (NET OF RETURNS) OF STOCK-IN-TRADE | | |
| Cosmetics / Toiletries | 23,51,225 | 30,37,385 |
| Medicated Preparations | 1,52,35,795 | 1,47,54,869 |
| | <u>1,75,87,021</u> | <u>1,77,92,253</u> |
| 20 CHANGES IN INVENTORIES OF FINISHED GOODS | | |
| Opening Stock of Finished Goods | | |
| Cosmetics / Toiletries | 16,165 | 73,651 |
| Medicated Preparations | 85,997 | 81,466 |
| | <u>1,02,162</u> | <u>1,55,117</u> |
| Less : Closing Stock of Finished Goods | | |
| Cosmetics / Toiletries | 33,752 | 16,165 |
| Medicated Preparations | 4,10,212 | 85,997 |
| | <u>4,43,964</u> | <u>1,02,162</u> |
| Decrease / (Increase) in inventory of Finished Goods | <u>(3,41,802)</u> | <u>52,955</u> |
| 21 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Allowances and Bonus | 60,95,299 | 65,45,219 |
| Contribution to Provident and Other Funds | 3,24,229 | 3,66,272 |
| Gratuity | 1,37,498 | 71,443 |
| Provision for Leave Encashment | - | 70,113 |
| Staff Welfare Expenses | 6,16,489 | 7,09,314 |
| | <u>71,73,515</u> | <u>77,62,361</u> |



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

| | 31-03-2017 | 31-03-2016 |
|------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|
| | ₹ | ₹ |
| 22 FINANCE COSTS | | |
| Interest on Intercorporate Loans | 22,80,388 | 29,88,163 |
| Interest Others | 1,01,219 | 93,240 |
| | <u>23,81,607</u> | <u>30,81,403</u> |
| 23 DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation on Tangible Assets | 1,13,187 | 94,139 |
| | <u>1,13,187</u> | <u>94,139</u> |
| 24 OTHER EXPENSES | | |
| Rent | 16,94,421 | 17,93,482 |
| Repairs and Maintenance-Others | 76,571 | 71,403 |
| Insurance | 38,392 | 41,495 |
| Rates and Taxes | 7,06,447 | 4,69,440 |
| Electricity | 1,69,843 | 2,71,692 |
| Travel and Conveyance | 17,53,642 | 18,65,477 |
| Postage, Telegram and Telephones | 2,72,535 | 3,11,867 |
| Brokerage | 7,250 | - |
| Directors Fees | 35,000 | 45,000 |
| Auditors Remuneration | 1,98,381 | 1,69,769 |
| Freight, Packing and Forwarding | 11,77,824 | 12,26,731 |
| Advertising and Sale Promotion | 5,37,196 | 6,08,190 |
| C & F Agents Service Charges | 1,14,561 | 3,43,942 |
| Cash Discount | 2,65,581 | 2,53,271 |
| Loss on sale of fixed assets | 1,01,840 | - |
| Fixed Asset written off | 27,079 | - |
| Foreign Exchange Flutation | - | 8,696 |
| Provision for Doubtful Advances | 17,365 | - |
| Miscellaneous Expenses | 25,89,173 | 31,94,916 |
| | <u>97,83,102</u> | <u>1,06,75,371</u> |
| 25 Contingent liabilities not provided for | | |
| a) Disputed Sales Tax demands | 21,47,000 | 21,47,000 |
| b) Disputed Income tax demands (including penalty) | - | 2,79,950 |
| c) Guarantees given by bank on behalf of the company | 50,000 | 50,000 |
| d) Arrears of Dividend in respect of 14% Cumulative Redeemable Preference Shares of Muller & Phipps (Industrial Services) Limited. | 7,47,178 | 6,35,178 |
| 26 Auditors' Remuneration | | |
| Audit Fees | 103,650 | 103,050 |
| For Tax Audit | 23,000 | 22,900 |
| For Others services, certification etc. | 69,040 | 41,140 |
| Out of Pocket Expenses | 2,691 | 2,679 |
| | <u>1,98,381</u> | <u>1,69,769</u> |

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

27 The Company has not received any intimation from suppliers/creditors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amounts unpaid as at the year end together with the interest paid/payable as required under the said Act has not been made.

28 Deferred Tax Asset on carried forward losses and unabsorbed depreciation and other timing differences as at 31st March, 2017 has not been recognized as there is no virtual/reasonable certainty that the same can be realised in the future.

29 Names of related parties and description of relationship

a Where control exists:

Holding Company :

Development Holding Asia Ltd.

b Other parties where the company has entered in transaction during the year

Fellow Subsidiary:

Getz Bros. Company Limited

Associates:

Foods and Inns Ltd.

Western Press Pvt Ltd.

Pharmpak Pvt. Ltd.

Key Managerial Personnel

Mr. Milan Dalal - Director

30 Related Party Disclosure

The transactions with Related Parties during the year were as follows :

| Particulars | Fellow Subsidiary | | Associates | | | | | | Key Management Personnel | |
|--------------------------------|---------------------|-------------|---------------------|-------------|-------------------------|------------|--------------------------|------------|--------------------------|------------|
| | Getz Bros. Co. Ltd. | | Foods and Inns Ltd. | | Western Press Pvt. Ltd. | | Pharmpak Private Limited | | Mr. Milan Dalal | |
| | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Nature of Transactions | | | | | | | | | | |
| Purchase of Goods | - | - | 18,35,700 | - | - | - | 50,58,184 | - | - | - |
| Directors Fees | - | - | - | - | - | - | - | - | 20,000 | 20,000 |
| Printing and Stationery | - | - | - | - | 1,04,153 | 97,807 | - | - | - | - |
| Travel Expenses | - | - | - | - | - | - | - | - | - | - |
| AGM Hall charges | - | - | - | - | - | - | - | - | - | - |
| Interest Expenses | - | - | 23,12,498 | 29,88,163 | - | - | - | - | - | - |
| Doubtful Advances provided | - | - | - | - | - | - | - | - | - | - |
| Intercompany Loans received | - | - | - | - | - | - | - | - | - | - |
| Intercompany Loans re-paid | - | - | - | - | - | - | - | - | - | - |
| Outstanding at year-end | | | | | | | | | | |
| Intercompany Loans payable | - | - | 1,85,00,000 | 1,85,00,000 | - | - | - | - | - | - |
| Loans and Advances given | - | - | - | - | - | - | - | - | - | - |
| Other Receivables | 2,87,54,011 | 2,87,54,011 | - | - | - | - | - | - | - | - |
| Payables | 4,71,10,790 | 4,71,60,790 | 11,35,700 | 28,93,044 | 6,30,221 | 5,26,028 | 46,96,332 | - | - | - |
| Interest Payable | - | - | 98,23,374 | 77,83,568 | - | - | - | - | - | - |
| Doubtful Advances Provision | - | - | - | - | - | - | - | - | - | - |



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

31 A) Disclosure as required under Schedule 111 to the Companies Act, 2013 with respect to consolidated financial statements

| Name of the Entity | Net Assets Total Assets- Total Liabilities as % of Consolidated Net Assets | ₹ | Share in Profit or Loss as % of Consolidated Profit or Loss | ₹ |
|-------------------------------------------------|----------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------------|-----------------|
| Parent Company | | | | |
| Muller and Phipps (India) Limited | (97.68%) | (4,89,70,268) | 100.82% | 7,33,671 |
| Subsidiaries | | | | |
| Muller and phipps Agencies Ltd. | 0.81% | 4,07,263 | (0.55%) | (4,015) |
| Muller and Phipps (Industrial Services) Ltd. | (3.13%) | (15,67,571) | (0.27%) | (1,961) |
| Joint Ventures | | | | |
| Indian | - | - | - | - |
| Foreign | - | - | - | - |
| Total | (100%) | (5,01,30,576) | 100% | 7,27,695 |

B) SEGMENT DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2017

| i) | Primary Segment-Business | Cosmetic/Toiletry | | Medicated preparation | | Others | | Total | |
|----|-------------------------------------------------------------|-------------------|------------|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 | 31-03-2017 | 31-03-2016 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| a) | Sales To External Customers | 29,16,120 | 42,79,807 | 3,14,22,444 | 3,07,15,887 | - | - | 3,43,38,564 | 3,49,95,694 |
| | Total Segment Revenue | 29,16,120 | 42,79,807 | 3,14,22,444 | 3,07,15,887 | - | - | 3,43,38,564 | 3,49,95,694 |
| b) | Segment Result (PBIT) | (3,51,786) | (1,89,825) | 57,66,790 | 60,09,575 | - | - | 54,15,004 | 58,19,750 |
| | Less : Interest & Finance Charges | - | - | - | - | - | - | 24,13,717 | 31,13,513 |
| | Less : Unallocable expenditure net of Unallocable income | - | - | - | - | - | - | 22,67,616 | (33,40,406) |
| | Profit / (Loss) Before Tax and exceptional items | - | - | - | - | - | - | 7,33,671 | (6,34,169) |
| | Profit / (Loss) Before Tax | - | - | - | - | - | - | 7,33,671 | (6,34,169) |
| | Current Tax | - | - | - | - | - | - | 1,36,000 | - |
| | Provision for Deferred Tax | - | - | - | - | - | - | - | - |
| | Profit / (Loss) After Tax | - | - | - | - | - | - | 5,97,671 | (6,34,169) |
| c) | Carrying amount of segment | | | | | | | | |
| | Assets | 4,71,080 | 5,92,977 | 54,39,478 | 43,15,953 | - | - | 59,10,558 | 49,08,930 |
| | Unallocated Assets | - | - | - | - | - | - | 4,00,63,888 | 3,99,82,258 |
| | Total Assets | - | - | - | - | - | - | 4,59,74,446 | 4,48,91,188 |
| d) | Carrying amount of segment | | | | | | | | |
| | Liabilities | 7,33,463 | 9,34,930 | 46,96,332 | 30,26,157 | 1,97,91,105 | 2,15,48,449 | 2,52,20,900 | 2,55,09,536 |
| | Unallocated Liabilities | - | - | - | - | - | - | 6,97,23,814 | 6,89,49,591 |
| | Total Liabilities | - | - | - | - | - | - | 9,49,44,714 | 9,44,59,127 |
| e) | Cost incurred to acquire segment | | | | | | | | |
| | Fixed assets during year | - | - | - | - | - | - | - | - |
| | Unallocated Assets | - | - | - | - | - | - | 39,640 | - |
| f) | Depreciation/ Amortization | | | | | | | | |
| | Unallocated Assets | - | - | - | - | - | - | 1,13,186 | 94,139 |

The common expenses has been allocated to segment on the basis of turnover of the segment to arrive at segment result.

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

32 Disclosure as per Accounting Standard 15 (Revised)

As per Accounting Standard 15 " Employee Benefits ", the disclosure of employees benefits as Defined in the Accounting Standard are given below.

| Defined Contribution Plans : | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-----------------------------------------------------------------------------------------------|------------------------|-----------------|
| Contribution to Defined Contribution Plans, recognized as expenses for the year are as under: | | |
| Employer's Contribution to Provident Fund | 2,90,123 | 2,84,605 |
| Employer's Contribution to Superannuation Fund | - | - |

Defined Benefit Plan :

Gratuity Scheme

The employees gratuity scheme is a funded defined benefit scheme managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------|
| Leave Encashment Scheme | | |
| The obligation for leave encashment which is a non funded long term employee scheme is recognized based on actuarial valuation. | | |
| The Disclosure in the respect of above Gratuity benefit Scheme as given below | | |
| I Actuarial Assumptions | | |
| Discount Rate | 7.10% | 7.85% |
| Rate of Return | 8% | 8% |
| Salary Escalation | 4% | 5% |
| The rate of increase in compensation considered above takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. | | |
| II Change in Present Value Of Obligation | | |
| Value of Obligation at the beginning of year | 30,72,792 | 33,34,496 |
| Interest Cost | 1,71,092 | 1,96,111 |
| Current Service Cost | 1,10,440 | 1,30,042 |
| Benefits Paid | - | (3,10,269) |
| Actuarial Gain / (Loss) on Obligation | (1,92,594) | (2,77,588) |
| Value of Obligation at the end of year | 31,61,730 | 30,72,792 |
| III Changes in Fair Value Of Plan Assets | | |
| Fair Value of plan Assets at the beginning of year | 8,486 | 2,81,633 |
| Expected Return On Plan Assets | - | 25,551 |
| Contribution | 75,000 | 34,438 |
| Benefits Paid | - | (3,10,269) |
| Actuarial Gain / (Loss) on Plan Assets | (7,253) | (22,867) |
| Fair Value of plan Assets at the end of year | 76,233 | 8,486 |
| IV Amounts to be Recognized in the Balance Sheet | | |
| Present Value of obligation at end of the year | 31,61,730 | 30,72,792 |
| Fair Value of plan Assets at end of the year | (76,233) | (8,486) |
| Funded Status | 30,85,497 | 30,64,306 |
| Unrecognized Actuarial Gain / (Loss) | - | - |
| Payable to retired employee's | - | - |
| Net Asset (Liability) recognized in the Balance Sheet | 30,85,497 | 30,64,306 |



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

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|------------------------------------------------------------------|-----------------|-----------------|
| V Expenses Recognized in the Statement of Profit and Loss | | |
| Current Service cost | 1,10,440 | 1,30,042 |
| Interest Cost | 1,71,092 | 1,96,111 |
| Expected Return On Plan Assets | - | (25,551) |
| Net Actuarial Gain / (Loss) recognized for the year | (1,85,341) | (2,54,721) |
| Payable to retired employee's | - | - |
| Expenses recognized in the statement of Profit and Loss Account | 96,191 | 45,881 |
| VI Movement in the Liability Recognized in Balance Sheet | | |
| Opening Net Liability | 30,64,306 | 30,52,863 |
| Expenses as Above | 96,191 | 45,881 |
| Contribution Paid | (75,000) | (34,438) |
| Closing Net Liability | 30,85,497 | 30,64,306 |

| | 31-03-2017 ₹ | 31-03-2016 ₹ |
|-------------------------------------------------------|-----------------|-----------------|
| 33 Earnings Per Share (EPS) | | |
| A Profit/(Loss) Attributable to Equity Shareholders | 6,47,052 | (7,05,395) |
| B Number of Equity Shares Outstanding during the year | 6,25,000 | 6,25,000 |
| C Nominal Value of Equity Shares | 10 | 10 |
| Basic Earning/Diluted Per Share (₹) (A/B) | 1.04 | (1.13) |

35 The summary of cash transactions between the period 8th November, 2016 to 31st December, 2016 is as under :

| Particulars | SBNs ₹ | Other Denomination Notes ₹ | Total ₹ |
|---------------------------------------|-----------|-------------------------------------|------------|
| Closing cash in hand as on 08.11.2016 | 50,000 | 9,871 | 59,871 |
| Add: Permitted Receipts | 53,000 | 4,55,121 | 5,08,121 |
| Less: Permitted Payments | 50,000 | 4,05,644 | 4,55,644 |
| Less: Amount Deposited in Banks | 53,000 | - | 53,000 |
| Closing cash in hand as on 31.12.2016 | - | 59,348 | 59,348 |

34 The Financial Statements have been prepared on going concern basis although the net worth of the Group has been completely eroded, in view of the future business plans which will allow the Company to carry out its business profitably.

As per our Report Attached

For Ford Rhodes Parks & Co. LLP
Chartered Accountants
Firm's Registration No.102860W / W100089

MILAN DALAL
Director
DIN No. 00062453

Shrikant Prabhu
Partner
Membership No. 35296

RAY SIMKINS
Director
DIN No. 01573312

Mumbai
Dated: 18th May, 2017

Singapore
Dated: 17th May, 2017

Notes

MULLER & PHIPPS (INDIA) LIMITED

CIN:L63090MH1917PLC007897
REGISTERED OFFICE : 204, Madhava Building, 2nd Floor,
Bandra Kurla Complex, Bandra East, Mumbai-400 051.
Tel No.26591191, Website: www.mulphico.co.in

ATTENDANCE SLIP

(To be presented at the entrance)

100TH ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 13, 2017 AT 5.30 P.M.

Kilachand Conference Room, 2nd Floor, Indian Merchants Chamber, Churchgate, Mumbai - 400 020

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only member/Proxy holder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

MULLER & PHIPPS (INDIA) LIMITED

CIN:L63090MH1917PLC007897
REGISTERED OFFICE :204, Madhava Building, 2nd Floor,
Bandra Kurla Complex, Bandra East, Mumbai-400 051.
Tel No.26591191, Website: www.mulphico.co.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s) : _____

Registered Address : _____

E-mail ID : _____

Folio No/ Client Id No : _____

I/We, being the member(s) of _____ Shares of Muller & Phipps (India) Limited, hereby appoint

1. Name : _____ Email Id: _____

Address: _____ Signature. _____

or failing him

2. Name : _____ Email Id: _____

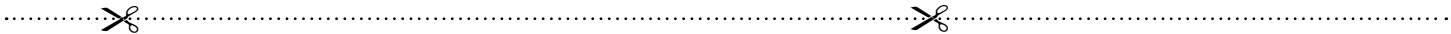
Address: _____ Signature. _____

or failing him

3. Name : _____ Email Id: _____

Address: _____ Signature. _____

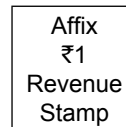
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Hundredth Annual General Meeting of the Company to be held on Wednesday, September 13, 2017 at 5.30 p.m. at Kilachand Conference room, 2nd floor, Indian Merchant Chamber, Churchgate Mumbai -400 020 and at any adjourned meeting thereof in respect of such resolutions as are indicated below.



1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2017.
2. Re-Appointment of Milan Dalal as Director of the Company.
3. Appointment of Auditors' M/s K F Jetsey & Co., Chartered Accountants.

Signed this _____ day of _____ 2017

Signature of Shareholder _____



Signature of Proxy Shareholder _____

Notes This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member.

Registered Post / Speed Post / Courier

If undelivered please return to :
MULLER & PHIPPS (INDIA) LIMITED
204, Madhava Building, 2nd Floor,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051.