

MPF SYSTEMS LIMITED

CIN: L65999MH1993PLC287894

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

25th ANNUAL REPORT

2017-2018

CORPORATE INFORMATION
BOARD OF DIRECTORS

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

BANKERS
AXIS BANK LTD.

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

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

LISTING
BOMBAY STOCK EXCHANGE LIMITED

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

NOTICE

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

Day: Saturday

Date: 29th September, 2018

Time: 11:30 A.M.

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

To transact the following businesses:

ORDINARY BUSINESS:

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

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

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

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

Place: Mumbai

Dated: 30th May, 2018

Sd/-

**Kirti Salvi
Managing Director
DIN: 07141300**

NOTES:

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

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

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

Place: Mumbai

Sd/-

Dated: 30th May, 2018

**Kirti Salvi
Managing Director
DIN: 07141300**

Voting through Electronic Means:

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

The instructions for shareholders voting electronically are as under:

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

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

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

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

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

Place: Mumbai

Dated: 30th May, 2018

Sd/-

**Kirti Salvi
Managing Director
DIN: 07141300**

DIRECTORS' REPORT**Dear Members,**

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

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

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

OPERATIONAL PERFORMANCE:

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

TRANSFER TO RESERVES:

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

DIVIDEND:

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

DEPOSITS:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

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

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

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

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

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

FORENSIC AUDIT:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

NUMBER OF MEETINGS OF THE BOARD:

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

INDEPENDENT DIRECTORS DECLARATION:

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

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

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

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

BOARD EVALUATION:

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

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

PERFORMANCE OF THE BOARD AND COMMITTEES:

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

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

MEETING OF INDEPENDENT DIRECTORS:

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