



ITL Industries Ltd.

28th Annual Report 2015-2016

Technology with Time....



Message to the Members

Dear Members,

The Global Scenario

The global scenario continues to be trapped in a low growth trajectory, despite the steep drop in crude oil and commodity prices. Furthermore, a barrage of monetary stimulus has driven down interest rates close to zero in many of the advanced economies. With the monetary stimulus option by and large exhausted, governments are more likely to turn to fiscal and structural measures to revive growth. The IMF projects global growth to inch up from 3.1% in 2015, to 3.2% in 2016, and increasing to 3.5% in 2017. Growth in the advanced economies is projected at 1.9% in 2016, with US growth pegged at 2.4%, Europe at 1.5% and Japan at 0.5%. Growth in the emerging markets in 2016, overall, is projected at 4.1%, much of it coming from China, India and the ASEAN region. Growth in Latin America is expected to be only 0.5%, on account of a 3.8% decline in growth in Brazil. No sustained upside is seen in oil and commodity prices in 2016. The path ahead for the global economy remains challenging, with greater uncertainties thrown in. Concerns persist about the slowdown in China and its ability to shift smoothly from export-led to domestic led growth. Fiscal pressures will accentuate in the oil producing countries, including the rich Middle-East countries. Financial markets remain nervous and exchange rate volatility has been pronounced. This is reinforced by the impending reversal of the interest rate cycle in the US.

The Domestic Scenario

Against the backdrop of a muted global economy, India's economy is an out-performer. For 2016-17, GDP growth is projected at 7.5%. This would make it the fastest growing among the large economies. This is particularly creditable in the context of two successive unfavorable monsoons and a decline in exports. Recent data indicate a 5.7% year-on-year growth in eight of the key core sector industries, against 2.3% growth registered last year. Inflationary pressures have been contained. The rise in the consumer price index averaged 4.9% in 2015-16, down from 5.9% in the previous year. The wholesale price index declined 2.5% on an averaged basis, compared to a rise of 2.0% in the previous year. In 2015-16, merchandise exports and imports each fell over 15% over 2014-15. The trade deficit in 2015-16 was US\$ 118.5 billion, a decline of 14% over the previous year. The current account deficit narrowed sharply from US\$ 26.1 billion to US\$ 22.0 billion, representing 1.4% of GDP. India's foreign exchange reserves, as at March end 2016 were US\$ 360.2 billion. The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound.

There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalizing the tax structure and administration, and opening up more areas for foreign investment through the automatic route. The government is substantially stepping up infrastructure spending. Having said that, some issues come to the fore. For instance, capital investment will take time to revive, given stretched corporate balance sheets, low capacity utilisation, (at only 72.5% in the organised industrial sector), and competition from imports. Slow global output and trade growth will continue to impact exports. There is also the overhang of non-performing assets in the banking sector. Much more also needs to be done to "monsoon-proof" the Indian economy. The growth in the manufacturing sector has been subdued, including a decline in the output of capital goods.

Performance of your Company

The year ended March 2016 was a reasonably good year for your company. The Company during the year recorded a turnover of Rs. 61.85 crores in 2015-16 as against Rs. 60.57 crores in 2014-15 with a net profit after tax at Rs. 2.10 Crores as against Rs. 2.29 Crores. We remain confident that your company will perform well during the current year too.

New Developments

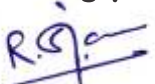
New developments as well as modifications in existing models are necessary to offer value for money to our esteemed customers. Two new models of CSNC Carbide Circular Saw Machine for Steel cutting have been further developed during the year. The company is putting its efforts to make entry into export markets in the USA, Europe and Taiwan/China through dealers for Carbide Circular Sawing Machines and Bandsaw Machines. The domestic demand for company's products is expected to remain better. The LASER Welded Tube Mill for Stainless Steel Tubes/Pipes is in advance stages of development and is in trial run stage. Apart from Designing and Manufacturing activities, Company's Trading divisions are also expected to perform well.

We remain committed to improve the Shareholders value towards this end, we are continuously looking for the opportunities and are upgrading the infrastructure befitting to the same.

To Our Teams

The support of our Shareholders, Business Associates, Valued Customers, Banks and Financial Institutions has always been a source of strength to us and we thank all of them wholeheartedly for remaining the integral part of our growth story. I also wish to thank all the employees for their devoted efforts in bringing up the company to the present level.

Thanking you,



Rajendra Singh Jain
Managing Director

**DIRECTORS**

Manohar Singh Jain	- Non-Executive Director
Rajendra Singh Jain	- Managing Director
Mahendra Singh Jain	- Joint Managing Director
N.Chakraborty	- Non-Executive Director
Dr.S.K.Kapoor	- Non-Executive Director
Dr.Pratima Jain	- Non-Executive Director

CHIEF FINANCIAL OFFICER - Ashok Ajmera

COMPANY SECRETARY - Akhilesh Gautam

AUDITORS

Mahaveer M.Jain & Co.
Chartered Accountants
105, Silver Sanchora Castle
7-8, R.N.T. Marg
INDORE-452001 (M.P.)

REGISTERED OFFICE & WORKS

111, Sector-B, Sanwer Road, Industrial Area,
INDORE-452015 (M.P.)

BANKERS**State Bank of India**

Industrial Finance Branch,
Khel Prashal, Race Course Road,
INDORE (M.P.)

Bank of Baroda

Siyaganj Branch,
INDORE (M.P.)

ADVISORS/CONSULTANTS

Mahendra Badjatya & Co.
Chartered Accountants
208, Mourya Centre
Race Course Road, INDORE (M.P.)

DIVISIONS

Indtools Sales & Services
Indore Saws & Tools
eSupply World
H&S Innovation

REGISTRAR & SHARE TRANSFER AGENT

M/s. Ankit Consultancy Pvt.Ltd.
Plot No.60, Electronic Complex
Pardeshipura
INDORE (M.P.)- 452010
Phone No. : 0731-3198601, 3198602

ISIN (DMAT) NO.: 478D01014

Website : www.itl.co.in

CIN No. : L28939MP1989PLC005037

BSE Scrip Code : 522183

NSIC Rating : SE2B

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Members of ITL Industries Limited will be held on Friday, the 30th day of September, 2016 at 11.30 A.M. at the Registered Office of the Company at 111, Sector "B", Sanwer Road, Industrial Area, Indore - 452015 to transact the following business.

Ordinary Business :-

1. To receive, consider and adopt the Audited Financial Statement of the company for the year ended 31st March, 2016 and together with the Report of the Directors and the Auditor's Report thereon.
2. To declare dividend on Equity Shares for the year ended on 31st, March 2016.
3. To elect a Director in place of Mr. Manohor Singh Jain (DIN : 00256131), who retire by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their Remuneration and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, appointment of M/s Mahaveer M. Jain & Co., Chartered Accountants (ICAI Registration No. 070966 and FRN : 001749C) as the Statutory Auditor of the Company, is hereby ratified to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company, in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending March 31, 2017."

For and on behalf of the Board

**Place : Indore
Dated : 13/08/2016**

**Rajendra Singh Jain
(Managing Director)
DIN: 00256515**

**NOTES**

01. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
02. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 23rd September, 2016 to Friday, the 30th September, 2016 (Both days inclusive).
03.
 - (a) Members are requested to send their queries, if any, at least 7 days in advance of the meeting, so that the information can be made available at the meeting.
 - (b) Members/proxies should bring the Attendance slip sent herewith, duly filled, for attending the Meeting.
 - (c) Members who hold shares in Electronic Form are requested to bring their Depository ID number and client ID number to facilitate easier identification for attendance at the Annual General Meeting.
04. The Shareholders are hereby informed that all the correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s. Ankit Consultancy Pvt. Ltd., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.).
05. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Share Transfer Agent enclosing their Share Certificates to enable the Company to consolidate their holding in one folio.
06. The Dividend, as recommended by the Board, if declared at the meeting will be paid, on or after 5th October, 2016 to those members or their mandates whose names stand registered on the Company's Register of Members as on book closure dates as stated above.
07. Shareholders who are still holding physical share certificate (s) are advised to dematerialize their shareholding to avail benefit of dematerialization.
08.
 - (a) Members are requested to notify the change in address if any, the name of Bank(s) with account number(s) for inscribing it on the face of dividend warrant(s) to avoid the fraudulent encashment of the same. Members holding Shares in Electronic Form should send the above information to the respective Depository Participants.
 - (b) In case mailing address mentioned on the Annual Report is either without Pin Code or with incorrect Pin Code, members are requested to kindly inform Registrar & Share Transfer Agent of the Company or the respective Depository Participant (s), as the case may be, their Pin Code immediately for speedy and proper delivery.
09. Dividend for the financial year ended March 31st, 2009, which remain unclaimed or unpaid, will be due for transfer to the Investor Education & Protection Fund of the Central Government, pursuant to the provision of Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), on October 31st, 2016. Members who have not yet encashed their dividend warrants for the financial year ended March 31st 2009 or any subsequent financial years are requested to lodge their claims with the company/Registrar, without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amounts of dividend so transferred to the said fund.
10. All documents referred to in the notice will be available for inspection by the members at the registered office of the company between 9.30 a.m. to 5.00 p.m. on all working days from the date hereof up to the date of the meeting.
12. The Notice of AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose email address are registered with the Company or the Depositories, unless any member has requested for



a physical copy of the same. For members who have not registered their email address, physical copies are being sent by the permitted mode. To support the “Green Initiative”, the members who have not registered their email address are requested to register the same with Registrar of the Company/Depositories.

13. INSTRUCTIONS FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 SEBI (LODR) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be allowed to cast their vote again.

The remote e-voting period commences on 27th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- I. Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - II. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - III. Click on Shareholder - Login
 - IV. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - V. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - VI. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - VII. Select “EVEN” of “ITL Industries Limited”.
 - VIII. Now you are ready for remote e-voting as Cast Vote page opens.
 - IX. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - X. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - XI. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - XII. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vishnuguptaassociates@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:



(i) Initial password will be provided/intimated through Letter from our Registrar:

REVEN (Remote E Voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or (Company/RTA email id) However, If you are already registered with NSDL, for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot user Details/Password" option available on www.evoting.nsd.com or contact NSDL at the following toll free no: 1800-222-990.
- VI. Mr. Vishnu Gupta , Practicing Chartered Accountant (Membership No.075560) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, there after unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinisers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- VIII. 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 Scrutinisers' report shall be placed on the Company's website: www.itl.co.in and website of NSDL.
- IX. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- X. A person, whose name is recorded in the register of member or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting at the meeting through ballot papers.
- XI. The remote e-voting period commences on 27th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- XII. For any further queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address : M/s Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010, Tel:0731-2551745-46, Fax:0731-4065798, E-mail : ankit_4321@yahoo.com.

For and on behalf of the Board

**Place : Indore
Dated : 13/08/2016**

**Rajendra Singh Jain
(Managing Director)
DIN: 00256515**



**DETAILS OF THE DIRECTORS SEEKING
RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**
(Under Regulation 36 of SEBI (LODR) Regulation 2015)

Name of Director	Shri Manohar Singh Jain
DIN	00256131
Category	Non-Executive Director
Inter relationship	Father of Shri Rajendra Jain, Managing Director of the Company
Date of Birth	23rd November, 1929
Date of Appointment	25th January, 1989
Qualification	Visharad
Expertise in specific Functional areas	Wide experience in Business and promoter Director
List of other Public Companies in which Directorships held	NIL
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL
Shareholdings in the Company	75100



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 28th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2016.

01. FINANCIAL RESULTS :

(Amount in ₹)

	Financial year ended 31.03.2016	Financial year ended 31.03.2015
a) Sales & Other Income	618544551	605739761
b) Profit before interest, Depreciation & Tax	59445678	58799187
c) Less : - Interest and Finance Charges	21879036	23232960
- Depreciation	10019522	9419733
d) Profit before Tax	27547120	26146494
e) Less : Provision for Tax Current year	5800000	4500000
f) Less : Deferred Tax Liabilities	-145000	-1530000
g) Less : Income Tax earlier year	859322	239734
h) Profit after Tax	21032798	22936760
i) Profit brought forward from previous year	9311049	-938886
j) Profit available for appropriations	30343847	21997874
k) Transferred to General Reserve	19235000	10765000
l) Proposed Dividend	1601600	1601600
m) Provision for Dividend Distribution Tax	326054	320225
n) Balance carried to Balance Sheet	9181193	9311049

02. DIVIDEND :

Your Directors are pleased to recommend Dividend at the rate of Rs. 0.50 Per share (previous year Rs. 0.50 per share) for the year ended 31st March, 2016 subject to approval of the members in the ensuing Annual General Meeting.

03. OPERATIONS :

During the year under review, the sales & other Income of Company increased from Rs. 6057.40 Lacs to Rs. 6185.45 Lacs showing a growth of 2.11% & profit after Tax of the Company for the year under review has decreased from Rs. 229.37 lacs to Rs. 210.33 Lacs.

04. FUTURE OUTLOOK :

The growth outlook for the Indian economy in the near term remains positive on account of inter-alia, the following factors: (a) expectations that the industrial sector would remain buoyant; (b) increase in corporate sales and profitability; (c) pick-up in order books and capacity utilization as per different survey results; (d) turnaround in exports with improving global conditions; (e) pick-up in lead services indicators for transportation, telecommunication and construction and; (f) revival in credit demand from the private sector.

05. DIRECTORS :

Shri Manohar Singh Jain, retire by rotation and being eligible, offers himself for re-appointment.

06. DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:



- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

07. PUBLIC DEPOSIT:

During the year under review, your company has neither invited nor accepted any deposit under the provisions of Section 73 of the Companies Act, 2013 and rules made there under.

08. AUDITORS :**08.1 - STATUTORY AUDITORS**

The Auditors M/s. Mahaveer M. Jain & Company, Chartered Accountants, Indore have been appointed as statutory auditors of the company at the previous Annual General Meeting held on 27.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM..

08.2 - SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Raju Chandra Pal, Practising Company Secretary (CP No.:14771 & ACS:24927), to undertake the secretarial audit of the company. The Secretarial Audit Report is given in the Annexure forming part of this report.

08.3 - INTERNAL AUDITORS

Mrs. Pratibha Kothari, Chartered Accountant performs the duties of internal auditor of the company and their report is reviewed by the audit committee from time to time.

09. TRANSFER OF AMOUNT OF INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to provisions of section 125 (1) of the Companies Act 2013, relevant amount which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

10. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is given in the Annexure forming part of this report.

11. INDUSTRIAL RELATIONS :

Industrial relations of the Company remained cordial during the year.

12. SUBSIDIARY COMPANY:

M/s. M.M. Metals Pvt. Ltd. is subsidiary of your Company. The business operations of the said companies have not been commenced.

The Statement pursuant to the Companies Act, 2013, in respect of the Subsidiary Company is separately annexed and forms part of the Annual Report.

**13. RELATED PARTY TRANSACTIONS :**

All related party transactions that are entered into during the last financial year were on arms length basis and were in the ordinary course of business. There were no materially significant related party transactions made with Promoters, Directors or Key Managerial Personnel which may have a potential conflict of interest of the Company at large.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY :

Provisions of section 135 of the Companies Act, 2013 does not apply to the Company, therefore Company has not constituted Corporate Social Responsibility (CSR) Committee as required under the Act.

15. REMUNERATION POLICY/DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEE :

In accordance with section 178 and other applicable provisions if any, of the Companies Act 2013 read with the rules issued there under, the Board of Directors formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. Details of Policy covering these Requirements have disclosed in Corporate Governance Report.

During the year none of the employee of the company is drawing more than 60,00,000/- per annum or Rs. 5,00,000/- per month for the part of the year, therefore Particulars of the employee as require under section 197 of the Companies Act 2013 read with rule 5(2) of the Companies (appointment and remuneration) Rule 2014 are not applicable.

16. REPORT ON MANAGEMENT DISCUSSION ANALYSIS REPORTS ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS :

Pursuant to Regulations 34 of SEBI (LODR) Regulation 2015 a separate report titled "Report on Corporate Governance and Management Discussion and Analysis" forms part of this Annual Report.

Certificate confirming compliance with conditions of Corporate Governance and Regulation 34 of SEBI (LODR) Regulation 2015 as stipulated under Clause 49 of the Listing Agreement also forms parts of this Annual Report.

17. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM/WHISTLE BLOWER POLICY :

The Company has a whistle blower policy to report genuine concerns or grievances. The details of establishment of the reporting mechanism are disclosed on the Company's website i.e. www.itl.co.in.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY :

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

19. CODE OF CONDUCT :

The Company laid down a code of conduct for all Board Members and Senior Management and Independent Directors of the Company. All the Board Members including Independent Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct. Declaration on adherence to the code of Conduct is forming part of the Corporate Governance Report.

20. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Board of Directors has adopted Risk Management Policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. The code of conduct is disclosed on the Company's website i.e. www.itl.co.in.

**21. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION & REDRESSAL) ACT, 2013 :**

The Company has in place an Anti Sexual Harassment Policy in line with requirements of the Sexual Harassment of the Women at Workplace (Prevention Prohibition and Redressal) Act 2013. An Internal Complaints Committee (ICC) has been setup to redress the Complaints received regarding sexual harassment. There was no case of sexual harassment reported during the year under review.

22. PREVENTION OF INSIDER TRADING :

In view of the SEBI (Prohibition of Insider Trading) Regulation 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The code requires Trading Plan, pre clearance for dealing in the Company's shares and prohibits the purchase or sale of Company' shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed.

23. EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return of the Company in form MGT-9 is given in the Annexure forming part of this report.

24. CONSOLIDATED FINANCIAL STATEMENTS:

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, viz M/s. M.M. Metals Pvt. Ltd. and consolidating the financial information of associates on equity method, as prepared in compliance with the accounting standards and listing agreement.

25. ACKNOWLEDGMENT:

We wish to acknowledge the understanding & support and the services of the workers, staff and executives of the Company, who have largely contributed to the efficient operations & management of the operations of the Company.

Your Directors also wish to place on record the valuable co-operation & support received from the Bankers and Financial Institutions.

We would also like to express thanks to our Shareholders for their confidence and understanding.

For and On behalf of the Board

Place : Indore
Date : 13.08.2016

Rajendra Singh Jain
(Managing Director)
DIN:00256515

Mahendra Singh Jain
Joint Managing Director
DIN: 00256047



ANNEXURE TO THE DIRECTORS' REPORT

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

A. RESEARCH & DEVELOPMENT :

- | | |
|--|---|
| 1. Specific areas in which R & D carried out by the Company. | The Research & Development activities resulted in the development of new range of products of the Company during the previous year. |
| 2. Benefits derived as a result. | Better Market coverage & New Market Development, cost reduction saving of Foreign Exchange on account of further indigenization. |
| 3. Future plan on R & D | To develop special purpose Machines / Plants. |

4. Expenditure on R & D:

	2015-16	2014-15	2013-14
a) Capital	₹27.28 Lacs	₹2.04 Lacs	₹ 4.17 Lacs
b) Recurring	₹202.46 Lacs	₹ 174.68 Lacs	₹96.48 Lacs
Total :	₹229.74 Lacs	₹179.72 Lacs	₹100.65 Lacs
Total R & D expenditures as a Percentage of total turnover	3.71%	2.92%	2.19%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- | | |
|--|---|
| 1. Efforts in brief made towards technology absorption | Technology developed by R & D Department is fully absorbed for manufacturing of special purpose Machine. |
| 2. Benefits derived as a result of the efforts, e.g. product improvement, Cost reduction product development, import substitution etc. | Import substitution in the areas of special purpose machinery resulting in cost reduction and conservation of Foreign Exchange. |
| 3. a. Technology imported | NIL |
| b. Year of Import | Not Applicable |
| c. Has technology been fully absorbed | Not Applicable |
| d. If no fully absorbed areas where this has not taken place reasons thereof and future plans of action. | Not Applicable |

C. CONSERVATION OF ENERGY :

- | | |
|---|--|
| a. Energy Conservation Measures taken | The Company has no major scope for conservation of energy. |
| b. Additional investments and proposals if any, being, implemented for reduction of consumption of energy. | NIL |
| c. Impact of the measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods. | NIL |
| d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the schedule thereto. | Not Applicable |

D. FOREIGN EXCHANGE EARNING AND OUT GO :

The information of Foreign Exchange Earnings and out go is given in Note No. 27 & 28 in Notes to financial statements.

For and On behalf of the Board

Place : Indore
Date : 13.08.2016

Rajendra Singh Jain
(Managing Director)
DIN:00256515

Mahendra Singh Jain
Joint Managing Director
DIN: 00256047



ANNEXURE TO DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN ON THE FINANCIAL YEAR ENDED ON MARCH 31ST, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L28939MP1989PLC005037
ii. Registration Date	25/01/1989
iii. Name of the Company	ITL Industries Limited
iv. Category / Sub-Category of the Company	Company having Share Capital
v. Address of the Registered office and contact details	111, Sector "B", Sanwer Road, Industrial Area, Indore - 452015
vi. Whether listed company	Yes (Listed in BSE Limited)
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore -452010 0731 2551745, 46

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 :-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Machine Manufacturing	2822	72.61%
2	Trading of Cutting Tools, Hydraulics etc.	2822	27.39%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	M M Metals Private Limited 103-B, Sanwer Road, Industrial Area, Indore - 452015	U02710MP1983PTC002163	Subsidiary	89.58	2(87)
2.	Indore Tools Private Limited	U28932MP1998PTC012805	Associate	41.52	2(6)
3.	Luhadiya Sons Shahpura Private Limited	U29100MP2010PTC023272	Associate	30.79	2(6)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1372487	NIL	1372487	41.62	1283784	NIL	1283784	38.93	-2.69
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	131100	NIL	1311000	3.98	131100	NIL	1311000	3.98	NIL
e) Banks / FI									
f) Any Other									
Sub total (A)(1) :-	1503587	NIL	1503587	45.60	1414884	NIL	1414884	42.91	-2.69



2) Foreign										
g) NRIs-Individuals										
h) Other-Individuals										
I) Bodies Corp.										
j) Banks / FI										
k) Any Other....										
Sub-total (A)(2):-	1503587	NIL	1503587	45.60	1414884	NIL	1414884	42.91	-2.69	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds										
b) Banks / FI										
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FIIs										
h) Foreign Venture Capital Funds										
i) Others (specify)										
Sub-total (B)(1)										
2. Non Institutions										
a) Bodies Corp.	346319	1100	347419	10.54	272514	1100	273614	8.30	-2.24	
(i) Indian										
(ii) Overseas										
b) Individuals										
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	670986	378426	1049412	31.83	680514	375226	1060240	32.15	0.32	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	324193	NIL	324193	9.83	481446	NIL	481446	14.60	4.77	
c) Others(Specify)										
NRI & OCB	5939	60000	65939	2.00	6251	60000	66251	2.00	0.01	
CLEARING MEMBER	6750	NIL	6750	0.20	865	NIL	865	0.20	-0.17	
Sub-total (B)(2)	1354187	439526	1793713	54.40	1446090	436326	1882416	57.09	2.69	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11354187	439526	1793713	54.40	1446090	436326	1882416	57.09	2.69	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	2857774	439526	3297300	100.00	2860974	436326	3297300	100.00	0.00	



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% in change share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Rajendra Jain	363400	11.02	NIL	363400	11.02	NIL	NIL
2.	Mr. Mahendra Jain	242713	7.36	NIL	242713	7.36	NIL	NIL
3.	M/s Remswegs Marketing Private Limited	131100	3.98	NIL	131100	3.98	NIL	NIL
4.	Mrs. Rekha Jain	131013	3.97	NIL	131013	3.97	NIL	NIL
5.	Mr. Ravish Jain	94150	2.86	NIL	94150	2.86	NIL	NIL
6.	Mr. Shekhar Jain	92885	2.82	NIL	92885	2.82	NIL	NIL
7.	Mrs. Meena Jain	87251	2.65	NIL	87251	2.65	NIL	NIL
8.	Mr. Prakhar Jain	82601	2.51	NIL	82601	2.51	NIL	NIL
9.	Mr. Manish Jain	75850	2.30	NIL	75850	2.30	NIL	NIL
10.	Mr. Manohar Singh Jain	75100	2.28	NIL	75100	2.28	NIL	NIL
11.	Mr. Dinesh Kumar Jain*	58000	1.76	NIL	58000*	1.76*	NIL	NIL
12.	Mrs. Namrata Jain	11000	.33	NIL	11000	.33	NIL	NIL
13.	Mrs. Madhu Jain*	10700	.32	NIL	10700*	.32*	NIL	NIL
14.	Mr. Suresh Kumar Jain*	10003	.30	NIL	10003*	.30	NIL	NIL
15.	Mr. Mehul Jain*	10000	.30	NIL	10000*	.30	NIL	NIL
16.	Mrs. Renu Bai Doshi	10000	.30	NIL	10000	.30	NIL	NIL
17.	Mrs. Rekha Jain	10000	.30	NIL	10000	.30	NIL	NIL
18.	Mrs. Nidhi Jain	6821	.21	NIL	6821	.21	NIL	NIL
19.	Mr. Harsh Jain	1000	.03	NIL	1000	.03	NIL	NIL
	Total	1503587	45.60		1414884*	42.91		

*As per intimation given by above persons these are categorize from promoters and promoters group to non promoters, thought there is no change in holding during the year.

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1503587	45.60	1503587	45.60
	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):				
	4 Persons remove their name from list of Promoter & Promoter Group (11.12.2015)	-88703	-2.69	1414884	42.91
	At the End of the year	1414884	42.91	1414884	42.91



iv. Change in Shareholding of Top Ten Shareholder

Sr. No.	For each of the Top Ten shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NINJA SECURITIES PVT. LTD.	89339	2.71	9	0.00
2.	JNJ HOLDINGS PVT. LTD.	88000	2.67	1	0.00
3.	PUSHPA SHARMA	60000	1.82	60000	1.82
4.	ACIRA CONSULTANCY PRIVATE LIMITED	56623	1.72	56623	1.72
5.	SANGEETHA S	52100	1.58	52100	1.58
6.	RUCHIT BHARAT PATEL	31124	.094	30623	0.93
7.	KASHMIRA MANISH MEHTA	29500	0.89	29500	0.89
8.	MANISHKUMAR SUMATILAL MEHTA(HUF)	29000	0.88	29000	0.88
9.	TEJAS B. TRIVEDI	25885	0.79	0	0.00
10.	GANDIV INVESTMENT PVT. LTD.	22073	0.67	0	0.00
11.	INVESTMART STOCK BROKERS PVT. LTD.	473	0.01	26044	0.79
12.	RAJASTHAN GLOBAL SECURITIES PVT. LTD.	0	0.00	87746	2.66
13.	DHEERAJ KUMAR LOHIA	0	0.00	54933	1.67
14.	DHEERAJ KUMAR LOHIA HUF	0	0.00	28534	0.87

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rajendra Jain	363400	11.02	363400	11.02
2.	Mr. Mahendra Jain	242713	7.36	242713	7.36
3.	Mr. Manohar Singh Jain	75100	2.28	75100	2.28
4.	Mr. Ashok Ajmera	0	0.00	0.00	0.00
5.	Mr. Akhilesh Gautam	0	0.00	0.00	0.00

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 financial year (As on 01/04/2015)				
i) Principal Amount	166864353	515386		167379739
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	166864353	515386		167379739
Change in Indebtedness during the financial year				
- Addition	3732705	10232842		13965547
- Reduction	-8862988	—	—	-8862988
Net Change	-5130283	10232842		5102559
Indebtedness at the end of the financial year (As on 31.03.2016)				
I) Principal Amount	161734070	10748228	—	172482298
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	722274	—	—	722274



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajendra Singh Jain (Managing Director)	Mr. Mahendra Singh Jain (Joint Managing Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of bonus & perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3060000 489600	2790000 446400	5850000 936000
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
6.	Total (A)	3549600	3236400	6786000

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Other Directors				Total Amount
		Mr. N. Chakraborty	Dr. S.K. Kapoor	Dr. Pratima Jain	Mr. Dinesh Jain	
	<u>Independent Directors</u> • Fee for attending Board & Committee meetings • Commission • Others, please specify	750000	13000	14000	3000	780000
	Total (1)	750000	13000	14000	3000	780000
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	None				
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	750000	13000	14000	3000	780000


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

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	656801	493658	1150459
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
6.	Total	656801	493658	1150459

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made. If any(give details)
A. Company					
Penalty Punishment Compounding			None		
B. Directors					
Penalty Punishment Compounding			None		
C. Other Officers In Default					
Penalty Punishment Compounding			None		



FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of
the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	/
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details	Details	Details
	Name (s) of the related party & nature of relationship	M.M. Metals Private Limited (Subsidiary Company)	Remswegs Marketing Private Limited- (A Company controlled by relatives of Directors)	Indore Tools Private Limited (A Company controlled by relatives of Directors)	Dimart Engineering Private Limited (A Company Controlled by Directors)
1.	Nature of contracts/arrangements/transaction	As per Point No. 3 below	As per Point No. 3 below	As per Point No. 3 below	As per Point No. 3 below
2.	Duration of the contracts / arrangements / transaction	As per terms of agreement	As per terms of agreement	As per terms of agreement	As per terms of agreement
3.	Salient terms of the contracts or arrangements or transaction including the value, if any - - Purchase and Job Work - Sales - Investment in Shares - Outstanding Balance as on 31.03.16	- - 21500 9926324	- 4681106 7203922 5385811	39808846 805441 3761885 6797458	- - 400000 18141357
4.	Date of approval by the Board	19/01/2012	30/05/2015	30/05/2015	30/05/2015
5.	Amount paid as advances, if any.	NIL	NIL	NIL	NIL

Registered Office:
111, Sector-B, Sanwer Road, Industrial Area,
INDORE-452015 (M.P.)
CIN – L28939MP1989PLC005037

By Order of the Board

Rajendra Singh Jain
Managing Director
(DIN-00256515)

Mahendra Singh Jain
Joint Managing Director
(DIN-00256047)

PLACE: INDORE
DATE: 13.08.2016



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ITL Industries Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s ITL Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s ITL Industries Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s ITL Industries Limited ("the Company") for the financial year ended on 31st March 2016 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 applicable to the Company. The rules and regulations relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the Audit Period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (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/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable as the Company has not issued any kind of securities during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable, as the Company does not have any Employee Stock Option Scheme and Employee Purchase Scheme during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company does not have any listed debt securities during the Audit Period);
 - (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 Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable as the Company has not delisted its equity shares from any stock exchanges during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back any of its securities during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) In respect of other laws specifically applicable to the Company, there is no specific law in applicable to the company. I have relied on information/records produced by the company during the course of our audit on test-check basis and the reporting in limited to that extent only.

I 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 fresh Listing Agreements entered into by the Company with Stock Exchange on dated 15th February, 2016 as per the Securities Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulation 2015 read with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13th, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company has changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, and the company re-constitute the Audit Committee, re-constitute of Nomination and Remuneration Committee and re-constitute of Stakeholder Relations Committee in their Board Meeting held on dated 13th February, 2016.

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

Majority decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Date : 20/07/2016
Place : Indore

For Raju Chandra Pal & Co.
Company Secretaries
Raju Chandra Pal
(Proprietor)
M. No.: ACS 24927
C.P. No. 14771



**To,
The Members,
ITL Industries Limited**

Our report of even date is to be read along with this letter.

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 not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company.
4. Where ever 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 is the responsibility of Management. 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.

**Date : 20/07/2016
Place : Indore**

**For Raju Chandra Pal & Co.
Company Secretaries
Raju Chandra Pal
(Proprietor)
M. No.: ACS 24927
C.P. No. 14771**

**PARTICULARS OF EMPLOYEES:-**

The applicable information required pursuant to Section 197 of the Companies Act, 2013 read with Rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of the employees are as under.

i. & ii

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, during the Financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial year 2015-16 are as under:

S.No.	Name	Remuneration of Director/ KMP for the FY 2015-16	% Increase in remuneration in the FY 2015-16	Ratio of Remuneration of each Director to median remuneration of employees
1.	Shri Rajendra Singh Jain Managing Director	3549600	21.42%	14.25:1
2.	Shri Mahendra Singh Jain Joint Managing Director	3236400	24.00%	13.00:1
3.	Shri Ashok Ajmera, CFO	656801	9.42%	N.A.
4.	Shri Akhilesh Gautam, CS	493658	6.20%	N.A.

iii. The median remuneration of employees of the Company during the financial year was 2.49 Lacs.

iv. In the financial year, there was an increase of average 12.36%, in the median remuneration of employees.

v. The number of permanent employees on the roll of the company is 150 Employees.

vi. The Price earnings ratio as at 31.03.2016 is 6.66 and 31.03.2015 was 5.26.

vii. There is no employee receiving remuneration in excess of the highest paid director.

viii. All the components of the remuneration are fixed and no components are variable.

ix. The remuneration paid to Executive Directors is as per Schedule V of the Companies Act, 2013 and as per remuneration policy of the Company.

List of the top 10 employee in respect of the remuneration drawn during the year 2015-16 are as under.

S. No.	Name	Designation	Total Remuneration	Nature	Qualification	Exp. In Years	Date of Joining	Date of Birth	Last Employment	More than 2% Shares	Relatives
1.	Shri Rajendra Singh Jain	Managing Director	3549600	Permanent	BE(MECH.) Phd	39yrs	01.02.1993	20.04.1954	Dewas Tools Pvt. Ltd.	11.02%	
2.	Shri Mahendra Singh Jain	Jt. Managing Director	3236400	Permanent	M.COM	39yrs	01.02.1993	19.10.1957	State Bank of India	7.36%	
3.	Shri Ravish Jain	Manager	1131840	Permanent	BE, MBA	10yrs	01.08.2006	20.11.1981	Fresh Appoint.	2.86%	Son of Managing Director
4.	Shri Prakhar Jain	Chief Executive Officer	1131840	Permanent	BE, MBA, MS (Hydraulics)	11yrs	02.05.2005	21.09.1983	Fresh Appoint.	2.30%	Son of Jt. Managing Director
5.	Shri Manish Jain	Chief Operating Officer	1131840	Permanent	BE(MECH.)	10yrs	01.04.2006	20.07.1985	Fresh Appoint.	2.51%	Son of Managing Director
6.	Shri Shekhar Jain	Manager	1131840	Permanent	BE(Elec.)	4yrs	01.04.2012	30.09.1988	Fresh Appoint.	2.28%	Son of Jt. Managing Director
7.	Smt. Pratibha Kothari	Internal Auditor	842484	Permanent	CA	17yrs	05.02.2010	29.05.1975	Bhandari Group Jaipur	Nil	
8.	Shri Ashok Ajmera	CFO	656801	Permanent	M.Com CA-Inter	28yrs	01.02.2004	15.10.1964	Beta Naptol Ltd.	Nil	
9.	Shri Murlidharan B.	Sr. Manager R&D, Project Development	699420	Permanent	ITI (MECH.)	30yrs	02.11.2009	22.05.1965	Velath Eng. Dubai (UAE)	Nil	
10.	Shri Sanjeev Shee	Manager	600060	Permanent	B.Sc. DME	16yrs	01.06.2015	02.01.1976		Nil	



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION :

The objective of this discussion is to share the Management's view on the various developments in the business environment, challenges and opportunities, as well as to provide an analysis of the Company's performance. This discussion also summarizes the Company's internal control measures and significant development in Human Resources. This discussion should be read in conjunction with the Letter to Shareholders, Director's Report, Financial Statements and Notes to Financial Statements included in this Annual Report.

i) INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Industry structure has remained the same in the domestic market. In some new products for Tube & Pipe Manufacturing Company, High Speed Circular Sawing Machines, ITL has captured a reasonable market size. More and more technological advancement and updation of latest technology creates an opportunity to penetrate into new products line & global market in near future.

ii) OPPORTUNITIES AND THREATS :

There is significant change in the outlook compared to last year. The Company continues to enhance opportunities for growth by focusing on introduction of new products and putting high emphasis on after sales & services of the products alongwith up gradation of technology.

The Company faces the normal threats, risks and concerns which are associated with competition from local and overseas manufacturers.

iii) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

a) MANUFACTURING DIVISION :-

Manufacturing Division has achieved Sales / Income of Rs. 4444.16 lacs in the year 2015-16 as against 4446.62 lacs in the year 2014-15, Apart from Bandsaw Machines, designing and manufacturing of equipments for production of Pipes and Tubes as well as Special Purpose Equipment based on customers needs is on up-beat. Some new models of metal cutting machines have been developed in-house and the Company is receiving good response from the customers.

b) TRADING DIVISION :-

Trading Division of Hydraulics has achieved Sales / Income of Rs. 1676.20 lacs in the year 2015-16 as against Rs. 1484.67 lacs in the year 2014-15. During the current financial year, the above division is also receiving good orders from the customers.

iv) OUTLOOK:

In current year the Company is confident of growing much faster in comparison to economy & capital goods industry looking to the present level of orders and enquiries for Manufacturing Division i.e. Bandsaw and Tube & Pipe Manufacturing equipment are showing good sign of recovery.

ITL's outlook on over-seas markets and domestic market are positive on account of its strength on cutting edge technology, cost and effective after sales services.

v) RISKS AND CONCERNS:

The Company is falling under the capital goods industry, the growth of which is determined by overall growth of the Industry. An overall concern is pertaining to the pressure on the profitability. However, ITL has taken all measures to reduce the Direct and Indirect cost. During the current year, the Tube and Pipe Manufacturing Division is showing good growth in orders and inquiry due the overall growth of Industry. The advancement of technology and strategic positioning of products is expected to give better results.

vi) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has well established internal control systems and to further strengthen the systems, it has appointed of Chartered Accountant to carry out Internal Audit and to review the internal control measures.

vii) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the sales & other Income of Company increased from Rs. 6057.40 Lacs to Rs. 6185.45 Lacs showing a growth of 2.11% & profit after Tax of the Company for the year under review has decreased from Rs. 229.37 lacs to Rs. 210.33 Lacs.

viii) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

ITL Industries continues to consolidate the belief that employees are our key resource. We continue to maintain a relatively young age factor amongst our employees and we are happy to report that they have taken full advantage of the opportunities that have been created for them. It continues to encourage innovative thinking as well as invest in internal training programs and initiatives for employees. We are proud to say that we are well on our way to establishing a work culture and environment in which every employee feels stimulated and motivated to contribute and perform.

We are proud to report that we have continue to maintain cordial industrial relations, and our employees actively participate in any initiative aimed at improving productivity, co-operation and understanding. This is indeed a proud achievement and we intend to continue to maintain this enviable track record.

ix) DISCLAIMER STATEMENT:

Report on Management Discussion and Analysis deals with the Company's objectives, estimates, expectations and forecasting which may be forward looking within the meaning of applicable Security Laws and/ or Regulations. The aforesaid statements are based on certain premises and expectations of future events as such the actual results may however differ materially from those expressed or implied. The Government Regulation, Tax structure, demand-supply conditions, cost of raw material & their availability, finished goods prices and economic development within India and the countries with which the Company has business relationship will have an important bearing on the statements in the above Report.

The foregoing discussions and analysis only set out the management perception of the Company's environments, in the coming months, which, by their very nature are uncertain and may undergo substantial changes in view of the events taking place later. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different even materially, subject to this management disclaimer, this discussion and analysis should be perused.

For and on behalf of the Board

PLACE: INDORE
DATE: 13.08.2016

Rajendra Singh Jain
Managing Director
(DIN-00256515)

Mahendra Singh Jain
Joint Managing Director
(DIN-00256047)



REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed to assist the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders.

2. Governance Structure

ITL Industries Limited's Governance structure broadly comprises the Board of Directors and the Committee of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

3. Board of Directors

The Company's Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

4. Committee of Directors

With a view to have a more focused attention on various facets of business and for better accountability, the board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee. Each of these Committee has been mandated to operate within a given framework.

5. Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

a. Managing Director

The Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensured implementation of the decisions of the Board of Directors and its various committees.

b. Joint Managing Director

Joint Managing Director is looking into the Plant and is responsible for operation and maintenance of the plant and all other functions relating to the day-to-day management of the plant, including all local issues and Compliances as applicable at plant level. He is also looking into the marketing, accounts, secretarial and finance department.

6. Board of Directors

The present strength of the Board is Six Directors. The Board Comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Two Executive Directors including Managing Director and Joint Managing Director. There are four non-executive Directors.

As required under section 149(3) of the Companies Act, 2013, Dr. Pratima Jain is Independent Woman Director on the Board.

Physical attendance of each Director at the Board Meeting during the year 2015-2016 and the last AGM.



Name of the Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Attendance at the last A.G.M.
Shri Rajendra Singh Jain (Managing Director)	Executive	4	4	Yes
Shri Mahendra Singh Jain (Joint Managing Director)	Executive	4	4	Yes
Shri Manohar Singh Jain	Non-Executive /Non-Independent	4	4	Yes
Shri N.Chakraborty	Non-Executive /Independent	4	4	Yes
Dr. S.K. Kapoor	Non-Executive /Independent	4	4	Yes
Dr. Pratima Jain	Non-Executive / Independent	4	4	Yes
Shri Dinesh Jain*	Non-Executive / Independent	4	1	No

* Shri Dinesh Jain has resigned from the post of Director on 24.06.2015.

The Notice for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors

Information supplied to the Board

The Board is presented with all the relevant information of the Company in form of Notice and other additional details are tabled in the course of Board Meetings.

The following information is regularly supplied to the Board along with the Notice of Meeting -

- Quarterly/Half yearly/Annual results of the Company and its units/business segments
- Operating Plans, Long Term Plans, Business Initiatives and other related matters
- Minutes of meetings of Committees of the Board
- Status Report on Investor Requests/grievances
- Related Party Transactions
- Expansion projects and its status monitoring
- Sale of material nature like equity investment, subsidiaries, assets, which is not in normal course of business
- Compliance status of various laws applicable to the Company.
- Material non-compliance of any regulatory/ statutory nature or listing requirements, if any
- Other matters as set out in the Listing Regulations

In compliance of the listing agreement, Members of the ITL Industries Limited Board do not have Directorship in more than 15 Companies or membership of more than ten Board level committees or Chairman of more than five such committees.

Number of other Companies or committees the Director (being a Director as on the date of Directors' Report) is a Director /Chairman.

Name of the Director(s)	No. of other Companies In which Director	No. of Committees (other than ITL Industries Ltd. In which Member)
Shri Rajendra Singh Jain	4	Nil
Shri Mahendra Singh Jain	5	Nil
Shri Manohar Singh Jain	1	Nil
Shri N.Chakraborty	Nil	Nil
Dr. S. K. Kapoor	Nil	Nil
Dr. Pratima Jain	Nil	Nil

Number of the Board Meetings held and the dates of the Board Meetings:

During the financial year ended on 31st March, 2016 four Board Meeting were held on 30th May, 2015, 14th August, 2015, 9th November, 2015 and 13th February 2016.

7. Board Committees :

A. Audit Committee

Terms of Reference of Composition, Name of the Members and Chairman:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Independent & Non-Executive Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.



The present strength of the Audit Committee is three Shri N.Chakraborty (Independent & Non-Executive Director), Chairman of the Audit Committee of the Company and Dr. S.K.Kapoor (Independent & Non-Executive Director) & Dr. Pratima Jain (Independent & Non-Executive Director) is Member of the Committee. The Company Secretary acts as secretary to the committee.

Meeting and attendance during the year:

Four meetings of the Audit Committee were held during the year 2015-16. The attendance of each member of the committee are given as under:

Name of the Director	No.of Meeting held	No. of Meeting attended
Shri N. Chakraborty	4	4
Dr. S K Kapoor	4	4
Dr. Pratima Jain	4	4
Shri Dinesh Jain*	4	1

*Shri Dinesh Jain has resigned from the post of Director on 24.06.2015.

B. Nomination & Remuneration Committee :

The Nomination & Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval.

The present strength of the Nomination & Remuneration Committee is three Dr. S K Kapoor (Independent & Non-Executive Director), Chairman of the Nomination & Remuneration Committee of the Company and Shri N.Chakraborty (Independent & Non-Executive Director) & Dr. Pratima Jain (Independent & Non-Executive Director). The Company Secretary acts as secretary to the committee.

The Nomination & Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval.

Nomination and Remuneration Policy

1. Introduction

The Board of Directors ("Board") of ITL Industries Limited ("Company") has adopted the Policy for Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

2. Policy Objective

- To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down.
- To lay down criteria for determining qualification, positive attributes and Independence of a Director;
- To lay down criteria, relating to remuneration of directors, key managerial personnel and other employees.

3. Definitions

"Board of Directors" means the "Board of Directors" of ITL Industries Limited.

"Company" means ITL Industries Limited.

"Independent Director" means a Director who satisfies the criteria of independence as prescribed under the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

"Key Managerial Personnel" or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:-

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- Company Secretary; and
- Chief Financial Officer
- Such other officer as may be prescribed

"Nomination & Remuneration Committee" means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

"Policy" means the Nomination and Remuneration Policy.

"Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

"Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs.

4. Constitution

- The Board shall determine the membership of the Nomination & Remuneration Committee.
- The Committee shall comprise of at least three non- executive directors, of which not less than one-half shall be independent directors. Provided that the Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- Chairman of the committee shall be an Independent Director.

5. Policy

This policy is divided into two parts:

5.1 Appointment & Removal



- a. Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:
 - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
 - ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
 - iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
 - iv. The other employees shall be appointed and removed as per the policy and procedure of the Company.
- b. Term / Tenure:

The Term/Tenure of the Directors/ KMP's/Senior Management Personnel and other employees shall be as per the Company's prevailing policy subject to the provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement as amended from time to time.
- c. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations and Listing Agreement.
- d. Retirement:

The director, KMP, senior management & other employees shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the director, KMP, & senior management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- i. Director/Managing Director

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- ii. Non-Executive Directors

The Non-Executive Independent Directors will be paid commission as decided by the Board of Directors subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder. The Non-Executive Independent Director will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option.
- iii. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & Joint Managing Director of the Company.
- iv. Other Employees

The power to decide structure of remuneration for other employees has been delegated to the Managing Director & Joint Managing Director of the Company or any other employee that the Managing Director & Joint Managing Director may deem fit.

6. Disclosures

This Remuneration policy and criteria of making payments to non-executive directors shall be disclosed in the Board's report.

7. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

Meeting and attendance during the year:

One meeting of the Nomination & Remuneration Committee was held during the year 2015-16. The attendance of each member of the committee are given as under :

Name of the Director	No.of Meeting held	No.of Meeting attended
Shri N. Chakraborty	1	1
Dr. S K Kapoor	1	1
Dr. Pratima Jain	1	1



a. The details of the remuneration paid to Whole time Directors during the year 2015-2016 are given below :

Name & Designation	All elements of remuneration package i.e. Salary, benefits, bonuses, pension, Gratuity etc.	Fixed Component and performance linked incentives alongwith the performance criteria	Service Contract, Notice period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which exercisable
	(₹)	(₹)	(₹)	(₹)
Shri Rajendra Singh Jain (Managing Director)	35,49,600/-	NIL	NIL	NIL
Shri Mahendra Singh Jain (Joint Managing Director)	32,36,400/-	NIL	NIL	NIL

b. The details of payments to Non-Executive & Independent Director during the year 2015- -2016 are given below :

Name of Director	Sitting Fees	Commission
Shri N. Chakraborty	750000	NIL
Shri Dinesh Jain	3000	NIL
Dr. S K Kapoor	13000	NIL
Dr. Pratima Jain	14000	NIL

C. Stakeholder Relations Committee :

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company has constituted a Stakeholder Relations Committee under the Chairmanship of Shri N. Chakraborty. The other two members of the Committee are Dr. S.K.Kapoor & Dr. Pratima Jain. The Company Secretary acts as secretary to the committee.

The Committee meets at regular intervals to approve inter-alia, transfer/ transmission of shares, issue of duplicate share certificate, non-receipt of declared dividend and to review the status of shareholders grievances and redressal mechanism and recommends measures to improve the level of investor services.

Meeting and attendance during the year:

Four meetings of the Stakeholder Relations Committee were held during the year 2015-16. The attendance of each member of the committee are given as under :

Name of the Director	No. of Meeting held	No. of Meeting attended
Shri N. Chakraborty	4	4
Dr. S K Kapoor	4	3
Dr. Pratima Jain	4	4
Shri Dinesh Jain*	4	1

*Shri Dinesh Jain has resigned from the post of Directors on 24.06.2015.

D. Risk Management Committee

The Board has constituted Risk Management Committee although it is not applicable to the Company.

E. Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board has constituted an Internal Committee and Dr. Pratima Jain is the chairperson of the Committee and two other female employee have been nominated in the committee to look into the complaints of the women employees relating to the Sexual Harassment of Women at Workplace.

F. Separate Independent Directors' Meeting

The meeting of Independent Directors was held on 13.02.2016, without the attendance of Non-Independent director and members of Management. The following issues were discussed:

- Review of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review of the performance of the Managing Director of the Company.
- Assess the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

8. General Body Meeting :

Details of the location of the past three AGMs and the details of the resolutions passed or to be passed by postal ballot.

(a) The last three Annual General Meetings of the Company were held at the Registered Office of the Company, 111-Sector-B, Sanwer Road, Industrial Area, Indore-452015 (M.P.).

Details of Annual General Meeting (AGMs):

AGMs	Date of AGMs	Location	Time
25th	30.09.2013	Registered Office	11.30 A.M.
26th	27.09.2014	Registered Office	11.30 A.M.
27th	24.09.2015	Registered Office	11.30 A.M.

All the Resolutions, including special resolutions set out in the respective Notices were passed by the Share-holders.

- b) No resolution requiring postal ballot as recommended under Clause 49 of the Listing Agreement



9. Subsidiary Company :

M/s. M.M. Metals Pvt. Ltd. (89.58% share's stake by the Company) is subsidiary of Company. As per the provisions of Clause 49, it is non-listed subsidiary.

10. Disclosures :

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

Details are given elsewhere in the Annual Report. Please refer to item No. 30 of the Notes to the Accounts.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - NIL.

The Board of Directors has adopted the code of conduct for Directors and senior Management personnel of the Company.

11. Means of Communication :

(A) The main channel of communication to the Shareholder is through Annual Report which includes inter-alia, the Auditor's Report, the Director's Report on Corporate Governance, Audited Financial statements and other important information.

(B) The website of the Company www.itl.co.in acts as the primary source of information regarding the operations of the Company.

Quarterly / yearly financial results and other media releases are being displayed of the Company's website.

(C) The quarterly and half yearly results are approved by the Board of Directors of the Company and submitted to the Stock Exchanges as per the requirement of Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

12. MD Certification :

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate for the financial year 2015-16 signed by Managing Director of the Company was placed before the Board of Directors at their meeting held on 13th August, 2016. The said certificate is annexed and forms part of the Annual Report.

13. Declaration regarding code conduct :

The certificate regarding compliance of conditions of Clause 49 of the Listing Agreement and Regulation 34 of SEBI (LODR) Regulation 2015 from the Auditors of the Company Annexed hereto.

General Shareholder information :

- Annual General Meeting :

The Annual General Meeting of the Company will be held on Friday 30th September, 2016 at 11.30 A.M. at 111, Sector-B, Sanwer Road, Industrial Area, Indore-452015 (M.P.)

- Financial Calendar :

Quarter	Period	Publication of Results
First	April to June	On or before 14th August, 2015
Second	July to September	On or before 14th November, 2015
Third	October to December	On or before 14th February, 2016
Fourth	January to March	On or before 30th May, 2016

- Date of Book Closure :

23rd day of September, 2016 to 30th day of September, 2016 (both days inclusive) for Annual General Meeting / payment of Dividend.

- Listing on Stock Exchanges:

The Shares of the Company listed on Bombay Stock Exchange Limited.

(BSE Scrip Code - 522183)

ISIN Number for NSDL & CDSL - INE478D01014

- Stock Market Data :

The monthly high / low quotation of shares traded on Bombay Stock Exchange are as given below:



(Amount in ₹)

Month	Highest	Lowest	Month	Highest	Lowest
April, 2015	45.60	31.55	October, 2015	55.30	37.50
May, 2015	43.90	35.00	Nov., 2015	48.90	41.00
June, 2015	50.00	39.25	Dec., 2015	63.60	44.50
July, 2015	54.95	42.55	January, 2016	58.40	42.25
August, 2015	53.00	35.25	Feb., 2016	49.70	38.20
Sept., 2015	48.00	33.80	March, 2016	49.90	38.10

- The monthly high / low BSE Sensex are as given below :

Month	Highest	Lowest	Month	Highest	Lowest
April, 2015	29094.61	26897.54	October, 2015	27618.14	26168.71
May, 2015	28071.16	26423.99	Nov., 2015	26824.30	25451.42
June, 2015	27968.75	26307.07	Dec., 2015	26256.42	24867.73
July, 2015	28578.33	27416.39	January, 2016	26197.27	23839.76
Aug., 2015	28417.59	25298.42	Feb., 2016	25002.32	22494.61
Sept., 2015	26471.82	24833.54	March, 2016	25479.62	23133.18

- Investor Correspondence :

For any assistance regarding dematerialization of shares, share transfer, transmission, change of address, non-receipt of dividend and any query relating to the shares of the company, please write to :

M/s. Ankit Consultancy Pvt.Ltd. (Registrar and Share Transfer Agent)

Plot No.60, Electronic Complex, Pardeshipura, INDORE (M.P.) - 452010, Phone No. : 0731-2551745 Fax No. 0731-4065798.

Or

Mr. Akhilesh Gautam

Company Secretary & Compliance Officer

ITL Industries Limited

111, Sector "B", Sanwer Road, Industrial Area, Indore - 452 015

Phone No. 0731 3044451

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The Company has adopted the SEBI Complaints Redress System (Scores) for redressing the investor complaints in a centralized web based complaints redress system provided by SEBI.

The Salient features of this system are : centralized data base of all complaints, online upload of Action Taken Reports (ATR) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

- Distribution of Shareholding pattern as on 31st March, 2016

No. of Equity share held	No. of Folio	Percentage%	No. of Shares	Percentage %
Upto 500	3991	91.06	555322	15.63
501 to 1000	189	4.31	157567	4.78
1001 to 5000	136	3.10	270894	8.21
5001 to 10000	27	0.62	196405	5.96
10001 and above	40	0.91	2157112	65.42
Grand Total:	4383	100.00	3297300	100.00
No.of Shareholders In Physical mode	2481	56.61	436326	13.23
No.of Shareholder In Electronic Mode	1902	43.39	2860974	86.77



Shareholding Pattern as on 31st March, 2016

Category	No.of Share Holders	No. of Shares	Percentage %
Promoters	15	1414884	42.91
Foreign Collaborators	NIL	NIL	NIL
Mutual Funds	NIL	NIL	NIL
FIs. / Banks	NIL	NIL	NIL
FIIIs / NRIs	23	66251	2.01
Domestic Companies	67	273614	8.30
Public	4276	1542551	46.78
Total :	4381	3297300	100.00

- Dematerialisation of Shares and liquidity

About 86.77% of Company's paid-up Share capital has been dematerialized upto 31st March, 2016.

MD/ CEO CERTIFICATION

To,
The Board of Directors,
ITL Industries

Dear Sirs

We have reviewed the Financial Statement read with the cash flow statement for the year and that to the best of our knowledge and belief:

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

We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

We have indicated to the Auditors and the Audit Committee that there is

1. No significant change in internal control over financial reporting during the year
2. No significant change in accounting policies during the year under review and
3. No instance of any fraud in the company in which the management has any role.

For ITL Industries Limited

PLACE : INDORE
DATED : 13.08.2016

(Rajendra Singh Jain)
Managing Director
DIN-00256515

DECLARATION REGARDING ON CODE OF CONDUCT

I Rajendra Singh Jain, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

For ITL Industries Limited

PLACE : INDORE
DATED : 13.08.2016

(Rajendra Singh Jain)
Managing Director
DIN-00256515



AUDITORS' CERTIFICATE
REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
ITL Industries Limited

We have examined the compliance of conditions of Corporate Governance by ITL INDUSTRIES LIMITED ('the Company'), for the year ended March 31st, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015') for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/SEBI Listing Regulations, 2015 as applicable.

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

For MAHAVEER M. JAIN & CO.
Chartered Accountants
Reg. No. : 001749C

Place : INDORE
Date : 13/08/2016

MAHAVEER KUMAR JAIN
(PROPRIETOR)
No. :070966
FRN : 001749C



INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF ITL INDUSTRIES LTD**

Report on the Financial Statements

We have audited the accompanying financial statements of **ITL INDUSTRIES LTD** ("the Company"), which comprise the Balance Sheet as at 31/03/2016, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit 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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31/03/2016, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.



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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31/03/2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31/03/2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MAHAVEER M. JAIN & CO.
Chartered Accountants
Reg. No. : 001749C

MAHAVEER K. JAIN
(PROPRIETOR)
No. :070966

Place of Signature : Indore
Date : 30/05/2016

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

(2) In Respect of Inventory

- (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) Procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacies in such procedures that should be reported.
- (c) Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

(3) Loans and advances to parties covered under section 189

Yes, the Company has granted Unsecured loans to Dimart Engineering Private Limited (Related party) and M M Metals Private Limited (Subsidiary Company)

- (a) According to information and explanations given to us , there was no stipulation to charge interest and these were business investment of the company. Hence in our opinion the rate of interest and other terms and conditions of the above loans granted by the company are not prima facie, prejudicial to the interest of the company.
- (b) There is no overdue amount of any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act

(4) Internal Control in reference to Purchase of Inventory and Fixed Assets and whether there is continue failure of Internal control

In our opinion and according to the information and explanations given to us there are adequate internal control system 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 and services. During the course of audit We have not observed continuing failure to correct major weaknesses in internal control system.

(5) Rules followed while accepting Deposits

No deposits within the meaning of Sections 73 to 76 or any other relevant provision of the Act and rules framed thereunder have been accepted by the Company.

(6) Maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(7) According to the information and explanations given to us in respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, undisputed dues in respect of including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess and any other statutory dues with the appropriate authorities and other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable are as follows:
- (c) We have been informed that the bank has transferred the requisite amount to the Investor Education and Protection Fund in accordance with the relevant provisions of The Companies Act, 1956 and rules made there under.

(8) Company which has been registered for a period less than five years and accumulated losses are more than 50% of Net worth, Reporting of cash Losses

The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(9) Default in Repayment of Loans taken from Bank or Financial Institutions

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank.

**(10) Terms for Loans and Advances from Banks or Financial Institutions prejudicial to the interest of the company**

According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

(11) Application versus purpose for which Loan Granted

To the best of our knowledge and belief and according to the information and explanation given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans are obtained.

(12) Reporting of Fraud During the Year Nature and Amount

Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed during the year, nor have we been informed of such case by the management.

Related To	Authority where Pending	Financial Year	Disputed Amount
MP Commercial Tax, 1994	Additional CCT (Appeal) Indore	2011-12	13,469
Central Sales Tax, 1956	Commercial Tax Tribunal	2010-11	201,101
Central Sales Tax, 1956	Additional CCT(Appeal) Indore	2011-12	3,417,272
Central Sales Tax, 1956	Appellate Authority	2012-13	4,304,671
M. P. Commercial Tax(Entry Tax)	Appellate Authority	2012-13	16,491
Central Sales Tax, 1956	Appellate Authority	2013-14	2,910,485

For MAHAVEER M. JAIN & CO.
Chartered Accountants
Reg. No. : 001749C

MAHAVEER K. JAIN

Place of Signature : Indore
(PROPRIETOR)
Date : 30/05/2016
:070966

No.



ANNEXURE - A

**Report under The Companies (Auditor's Report) Order, 2016 (CARO 2016)
for the year ended on 31st March 2016**

To,
The Members of ITL INDUSTRIES LTD

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) All the title deeds of immovable properties are held in the name of the company

(2) In Respect of Inventories

Physical verification of inventory has been conducted at reasonable intervals by the management.

(3) Compliance under section 189 of The Companies Act, 2013

Yes, the company has granted unsecured loans to Dimart Engineering Private Limited (Related party) and M M Metals Private Limited (Subsidiary Company)

- (a) The company has granted advances to two parties covered in registered maintained under section 189 of the Companies Act, 2013 (Total Advance amount outstanding on 31/03/2015 Rs. 29537681/- and as on 31/03/2016 Rs. 28067681/-). According to the information & explanations given to us and based on the audit procedures conducted by us there was no stipulation about interest and repayment terms. The company has not charged any interest as it was related to commencement of ancillary business in the aforesaid units.
- (b) The advances granted are repayable on demand and to commence ancillary business. As informed, the company has not demanded repayment of any such advances during the year, thus, there has been no default on the part of the parties to whom advance was made.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

(4) Compliance under section 185 and 186 of The Companies Act, 2013

While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits

No deposits within the meaning of Sections 73 to 76 or by any other relevant provisions of the Act and Rules framed there under have been accepted by the Company.

(6) Maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(7) Deposit of Statutory Dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
- (b) Details of disputed amount payable to statutory authorities are as given below.

Related To	Authority where Pending	Financial Year	Disputed Amount
MP Commercial Tax, 1994	Additional CCT (Appeal) Indore	2011-12	13,469
Central Sales Tax, 1956	Commercial Tax Tribunal	2010-11	201,101
Central Sales Tax, 1956	Additional CCT(Appeal) Indore	2011-12	3,417,272
Central Sales Tax, 1956	Appellate Authority	2012-13	4,304,671
M. P. Commercial Tax(Entry Tax)	Appellate Authority	2012-13	16,491
Central Sales Tax, 1956	Appellate Authority	2013-14	2,910,485

**(8) Repayment of Loans and Borrowings**

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or Bank.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The company has not raised any money by way of initial public offer or further public offer {including debt instruments) and term loans. Hence this clause is not applicable.

(10) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us The company is not Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act - 2013

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

No, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(15) Compliance under section 192 of Companies Act - 2013

The company has not entered into any non-cash transactions with directors or persons connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For MAHAVEER M. JAIN & CO.

Chartered Accountants
Reg. No. : 001749C

MAHAVEER K. JAIN
(PROPRIETOR)
No. :070966

Place of : Indore
Date : 30/05/2016



**“Annexure B” to the Independent Auditor’s Report of even date on the
Standalone Financial Statements of ITL INDUSTRIES LTD.**

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 ITL INDUSTRIES LTD. (“The Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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, 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 applicable to an audit of Internal Financial Controls and, 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MAHAVEER M. JAIN & CO.

Chartered Accountants
Reg. No. : 001749C

MAHAVEER K. JAIN
(PROPRIETOR)
No. :070966

Place of : Indore
Date : 30/05/2016



BALANCE SHEET AS AT 31 MARCH, 2016

(Amount in ₹)

	Particulars	Note No.	Amount As At 31.03.2016	Amount As At 31.03.2015
A	EQUITY AND LIABILITIES			
	Share Holder's Fund			
	(a) Share Capital	3	32543993	32543993
	(b) Reserve & Surplus	4	209181193	190076049
	Non Current Liabilities			
	(a) Long-term borrowings	5	25311427	35269268
	(b) Deferred tax liabilities		14031578	14176578
	Current Liabilities			
	(a) Short-term borrowings	6	136167635	122202088
	(b) Trade Payables	7	124704078	106837171
	(c) Other current liabilities	8	61067230	66441680
	TOTAL		603007134	567546827
B	ASSETS			
	Non Current Assets			
	(a) Fixed assets			
	(i) Tangible assets	9	88773030	88431845
	(ii) Intangible assets	9	5161860	3508294
	(iii) Capital work-in-progress		0	0
	(iv) Intangible assets under development		0	0
	(b) Non current investment	10	9501316	10143419
	(c) Long-term loans and advances	11	6596826	4092280
	(d) Other non-current assets			
	Current Assets			
	(a) Current investments	12	3523927	3945804
	(b) Inventories	13	250126109	220255135
	(c) Trade receivables	14	191108493	160856257
	(d) Cash and cash equivalents	15	8870194	21709689
	(e) Short-term loans and advances	16	39345379	54604105
	TOTAL		603007134	567546827
	Corporate Information & Significant accounting policies	1 to 2		
	Notes on financial statements	3 to 36		

In terms of our report attached.

For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
 CHARTERED ACCOUNTANTS
 Reg. No. : 001749C

Rajendra Singh Jain
 Managing Director
 DIN : 00256515

Mahendra Singh Jain
 Joint Managing Director
 DIN : 00256047

(Mahaveer K. Jain)
 Proprietor
 No. : 070966

Ashok Ajmera
 Chief Financial Officer

Akhilesh Gautam
 Company Secretary
 FCS : 8592

DATED : 30/05/2016
 PLACE : INDORE



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	Particulars	Note No.	For the Year 2015-16	For the Year 2014-15
	CONTINUING OPERATIONS			
A	Revenue from Operations			
	Sales	17	612199976	603494253
	Other income	18	6344575	2245508
	Total Revenue		618544551	605739761
B	Expenses			
	(a) Cost of Material consumed	19	363850212	351015135
	(b) Changes in inventories of finished goods and work-in-progress	20	-3008025	-2064299
	(c) Employee benefits expenses	21	74748976	65650977
	(d) Other expenses	22	123507711	132338762
	(e) Interest and financial overheads	23	21879036	23232960
	(f) Depreciation and amortisation expenses		10019522	9419733
	Total Expenses		590997431	579593267
	Profit before exceptional and extraordinary items and tax		27547120	26146494
	Exceptional items		0	0
	Profit before extraordinary items and tax		27547120	26146494
	Extraordinary items		0	0
	Profit before tax		27547120	26146494
	Tax Expenses:			
	(a) Current tax expenses		5800000	4500000
	(b) Tax Expenses of Previous Years		859322	239734
	(c) Deferred tax		-145000	-1530000
	Profit for the year		21032798	22936760
	Corporate Information & Significant accounting policies	1 to 2		
	Notes on financial statements	3 to 36		

In terms of our report attached.

For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS
 Reg. No. : 001749C

Rajendra Singh Jain
 Managing Director
 DIN : 00256515

Mahendra Singh Jain
 Joint Managing Director
 DIN : 00256047

(Mahaveer K. Jain)
 Proprietor
 No. :070966

Ashok Ajmera
 Chief Financial Officer

Akhilesh Gautam
 Company Secretary
 FCS : 8592

DATED : 30/05/2016
PLACE : INDORE



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2016**

Note No.	Particulars
1	CORPORATE INFORMATION
1.1	ITL Industries Limited is engaged in Manufacturing of Band Saw Machines, CNC Tube Mills, Machine tools & Sale/purchase of Hydraulic Items. etc.
1.2	Registered Office of the Company is situated at 111, Sector B, Industrial Area Sanwer Road, Indore 452015 (M.P.)
2	SIGNIFICANT ACCOUNTING POLICIES
2.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the companies Act 2013 read with Rule 7 of the companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories Inventories are valued at cost. Cost includes all charges in bringing the goods to the point of sale.
2.4	Depreciation and amortisation Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule II to the Companies Act, 2013. Pursuant to the enactment of the act, the company has applied the estimated useful lives of fixed assets. Accordingly the unamortised carrying values is being depreciated/ amortised over the revised/ remaining useful lives of assets.
2.5	Revenue recognition Sale of goods/services: Sales comprise sale of goods net of trade discount and sales tax. Excise duty collected has been included in sales value.
2.6	Other income Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
2.7	Tangible fixed assets "Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance."
2.8	Employee benefits Employee benefits include provident fund, superannuation fund, gratuity fund,. Liability of Gratuity has been provided as actually determined as at the year end and contribution is being made to LIC of India under group gratuity fund. However, leave encashment on separation has been accounted for on payment basis.
2.9	Earnings per share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.
2.10	Taxes on income "Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability."
2.11	Treatment of Prior Period and Extra Ordinary Items Any material (other than those arising out of over/ under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
2.12	Provisions and Contingent liabilities A provision is made based on reliable estimate when it is probable that an outflow or resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts.
2.13	Excise Duty Excise duty payable on finished goods held in plant is neither included in expenditure nor valued in stocks, but it is accounted for on clearance of goods from plant. This accounting treatment has no impact on profits.
2.14	Research and Development Capital Expenditure is included in Fixed Assets & and depreciation is provided at the respective applicable rates Revenue expenditure is charged off in the year in which they are incurred and are included with the respective nature of account heads in the profit and loss account statement.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2016**

(Amount in ₹)

Particulars	Amount As At 31.03.2016	Amount As At 31.03.2015
NOTE NO. 3		
Share Capital		
(a) Authorised		
40,00,000 Equity Shares of Rs.10/- each	40000000	40000000
(b) Issued, Subscribed & Paid-up		
32,97,300 Equity Shares of Rs.10/- each with voting rights	32973000	32973000
Less : Amount due on a/c.of Allotment money	429007	429007
TOTAL	32543993	32543993
List of share holders holding more than 5% of the share capital		
Shareholder's Name	No.of Shares	No.of Shares
Shri Rajendra Singh Jain	363400 (11.02%)	363400 (11.02%)
Shri Mahendra Singh Jain	242713 (7.36%)	242713 (7.36%)
NOTE NO. 4		
Reserves & Surplus		
(a) Surplus/(Deficit) in Statement of Profit & Loss		
Opening Balance	9311049	3562823
Less: Difference in Carrying values due to charge of depreciation according to Schedule II of The Companies Act 2013	0	4501709
Add: Profit/(Loss) for the year	21032798	22936760
TOTAL	30343847	21997874
Less: Transferred to General Reserve	19235000	10765000
Less: Proposed Dividend	1601600	1601600
Less: Dividend Distribution Tax	326054	320225
Closing Balance (a)	9181193	9311049
(b) General Reserve		
Balance as per last Balance Sheet	180765000	170000000
Add: Transfer from P & L A/c	19235000	10765000
Closing Balance (b)	200000000	180765000
TOTAL (a) + (b)	209181193	190076049
NOTE NO. 5		
Long-Term Borrowings		
Secured		
(a) Term Loan		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage in respect of Company's fixed assets both present and future and personal guarantee of Directors. Repayable in quarterly instalments over specified period of loans last instalment due in Jan. 2019)	24701943	34432010
(b) From Others (Against hypothecation of Vehicles acquired out of the loan. Repayable in equated monthly instalments over the period of loans)	609484	837258
TOTAL	25311427	35269268



(Amount in ₹)

Particulars	Amount As At 31.03.2016	Amount As At 31.03.2015
NOTE NO. 6		
Short -Term Borrowings		
Secured		
Loans repayable on demand		
From State Bank of India	75853578	67812110
From Bank Of Baroda	49565829	53874592
(Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivables both present & future and personal guarantee of Directors and first pari passue charge on various plots of the company)		
Unsecured		
From Axis Bank	1983215	0
(Simens Ltd. channel financing loan from Axis Bank)		
Inter Corporate Deposit	5066921	0
Loans and advances from related parties		
From Directors	3698092	515386
TOTAL	136167635	122202088
NOTE NO. 7		
Trade Payables		
Creditors for goods and services received	124704078	106837171
TOTAL	124704078	106837171
NOTE NO. 8		
Other Current Liabilities		
(a) Current maturities of long-term debt		
Term Loan		
Madhya Pradesh Financial Corporation, Indore	10475000	8000000
S.B.of India	303517	1055323
From Others	224719	853060
(b) Interest accrued but not due on borrowings		
Interest payable to MPFC	722274	0
(c) Other payables		
(i) Statutory remittances	6672780	7110429
(ii) Payables on purchase of fixed assets	0	211725
(iii) Contractually reimbursable expenses	14548761	15343235
(iv) Customers credit Balances	25164170	30723594
(v) Proposed dividend	1601600	1601600
(vi) Unclaimed dividend	1354409	1542714
TOTAL	61067230	66441680

**NOTE NO. 9****FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCKS				ACCUMULATED DEPRECIATION & IMPAIRMENT					NET BLOCK	
	Balance as at 01.04.2015	Additions during the year	Disposals during the year	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation Charged to Retained Earnings	Depreciation/ Amortisation expenses for the year	Written back during the year	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
(A) TANGIBLE ASSETS (FOR OWN USE)											
Land	3507627	0	0	3507627	0	0	0	0	0	3507627	3507627
Site Development	150004	0	0	150004	45052	0	4875	0	49927	100077	104952
Factory Building	50463409	0	0	50463409	10452267	0	1400723	0	11852990	38610419	40011142
Plant & Machinery	39550925	5542592	107100	44986417	18205564	0	3560086	33618	21732032	23254385	21345361
Other Equipments	14246070	0	0	14246070	8625582	0	754229	0	9379811	4866259	5620488
Electrical Equipment	467194	0	0	467194	420945	0	34569	0	455514	11680	46249
Office Equipment	9243491	372949	0	9616440	5263274	0	692463	0	5955737	3660703	3980217
Furniture & Fixture	15885854	3193272	0	19079126	7790410	0	1303921	0	9094331	9984795	8095444
Computer	10246229	219793	0	10466022	9906320	0	169064	0	10075384	390638	339909
Motor Car	11641173	120165	131100	11630238	6292891	0	1045636	67766	7270761	4359477	5348282
Cycle & Handcart	70983	0	0	70983	38809	0	5204	0	44013	26970	32174
TOTAL	155472958	9448771	238200	164683530	67041113	0	8970771	101384	75910500	88773030	88431845
(B) INTANGIBLE ASSETS (FOR OWN USE)											
Software	15817996	2702317	0	18520313	12763088	0	739914	0	13503003	5017311	3054908
Technical Know-How	3141619	0	0	3141619	2688233	0	308836	0	2997069	144550	453386
TOTAL - (B)	18959615	2702317	0	21661932	15451322	0	1048750	0	16500072	5161860	3508294
TOTAL - (A) + (B)	174432573	12151088	238200	186345462	82492435	0	10019522	101384	92410572	93934890	91940139
Previous year	171626859	3470695	664980	174432573	69203454	4501709	9419733	632461	82492435	91940139	

Particulars	Amount as at 31.03.2016	Amount as at 31.03.2015
NOTE NO. 10		
Investments (At Cost)		
Trade Investments		
<u>Unquoted, Non-Trade-Long Term :-</u>		
- Investment in equity instruments of subsidiaries		
M/s.M.M.Metals Pvt. Ltd.	21500	21500
21500 Equity Shares of Rs. 100 each (Fully Paid)		
(Previous year 21500 Shares)		
- Investment in equity instruments of associates		
M/s.Dimart Engineering P.Ltd.	400000	400000
40000 Equity Shares of Rs. 10 each (Fully Paid)		
(Previous year 40000 Shares)		
M/s.Luhadia Sons P. Ltd.	5304420	5304420
294690 Equity Shares of Rs. 10 each (Fully Paid)		
(Previous Year 294690 Shares)		
M/s.Indore Tools Pvt. Ltd.	3761885	3999975
356416 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 380225 Shares)		
- Investment in Other company	13511	417524
TOTAL	9501316	10143419



(Amount in ₹)

Particulars	Amount As At 31.03.2016	Amount As At 31.03.2015
NOTE NO. 11		
Long-term loans and advances		
Deposits (secured, considered good)	6596826	4092280
TOTAL	<u>6596826</u>	<u>4092280</u>
NOTE NO. 12		
Investments (At Cost)		
Trade Investments		
(a) Quoted but not listed-current Investments	2049900	1651900
(b) Quoted and Listed (Equity shares)	1474027	2293904
TOTAL	<u>3523927</u>	<u>3945804</u>
- Aggregate market value of quoted but not listed investments in Mutual Fund	1896307	1974106
- Aggregate market value of quoted and listed investments in Equity Shares	1206018	2408625
NOTE NO. 13		
Inventories		
(Valued at Cost)		
(a) Raw Materials & Bought Out Components	102540411	99765194
(b) Work in Process & Semi finished Goods	58079767	54252984
(c) Finished Products	37392	856150
(d) Stock of Trading Goods	88806359	64971790
(e) Stores, Spare Parts & Standard Items	662180	409017
TOTAL	<u>250126109</u>	<u>220255135</u>
NOTE NO. 14		
Trade Receivables		
(Unsecured, considered goods)		
(a) Outstanding for a period exceeding six months	97380210	75880845
(b) Others	93728282	84975412
TOTAL	<u>191108493</u>	<u>160856257</u>
NOTE NO. 15		
Cash & Cash Equivalents		
(a) Cash in hand	481726	311050
(b) Balances with banks		
(i) In current accounts	1396009	3532443
(ii) Unclaimed dividend	1354409	1542714
(c) Others		
Fixed Deposit Account	16094555	23682454
Accrued interest on fixed deposits	334400	720179
Less: OD Limit from IDBI Bank Ltd.(against pledge of FDR)	-10790905	-8079152
TOTAL	<u>8870194</u>	<u>21709689</u>



(Amount in ₹)

Particulars	Amount As at 31.03.2016	Amount As at 31.03.2015
NOTE NO. 16		
Short Term Loans & Advances :		
Unsecured, considered good		
(a) Loans and advances to related parties	28067681	29537681
(b) Deposits	1036075	1008023
(c) Loans and advances to employees	1332535	1041702
(d) Prepaid expenses	556038	250930
(e) Advance payment of Income Tax	4855190	5746752
Less: Provision for Income Tax	-5800000	-4500000
(f) Balance with government authorities		
(i) Cenvat credit receivable	3196673	1737327
(ii) Service Tax credit receivable	1522954	886994
(g) Others		
(i) Unsecured considered good	4578234	18894696
TOTAL	39345379	54604105

Particulars	For the year 2015-2016	For the year 2014-2015
NOTE NO. 17		
Revenue from Operations		
(a) Sales (Net of Sales Tax)	605061467	598453860
(b) Job Work & Commissioning Charges	7138509	5040393
TOTAL	612199976	603494253
NOTE NO. 18		
Other Income		
Dividend Received	406997	101020
Refund of Sales Tax	1761045	0
Profit on Sales of Fixed Assets	16518	65000
Profit on Sales of Investments	387507	0
Miscellaneous Income	3772508	2079488
TOTAL	6344575	2245508
NOTE NO. 19		
Cost of Material Consumed/Sold		
Opening Stock	164736984	122563092
Add : Purchases	390459998	393189026
	555196982	515752119
Less: Closing Stock	191346770	164736984
TOTAL	363850212	351015135
NOTE NO. 20		
Change in Inventory of Finished Goods and Work In Process		
Opening Stock	55109134	53044835
Less- Closing Stock	58117159	55109134
TOTAL	-3008025	-2064299
NOTE NO. 21		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus)	64216306	56497234
Welfare Expenses	813138	794226
Security Expenses	629102	600265
Contribution to E.S.I.C.	367676	435613
Contribution to P.F.	1156754	998439
Directors' Remuneration	6630000	5562000
Contribution to P.P.F	468000	381600
Bonus / Ex-gratia to Directors	468000	381600
TOTAL	74748976	65650977



(Amount in ₹)

Particulars	For the year 2015-2016	For the year 2014-2015
NOTE NO. 22		
Manufacturing, Administration and Selling Overheads		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	409017	2060489
Add: Purchases	745650	639875
	<u>1154667</u>	<u>2700364</u>
Less : Closing Stock	662180	409017
Consumed during the year	492487	2291347
Component Processing Charges	20154651	27694420
Power Expenses	2302868	2240082
Repaid & Maintenance to : 1. Plant & Machinery	280146	232113
2. Building	605774	553156
Entry Tax	1848024	2928317
Excise Duty	49743438	47149028
Freight & Cartage inward	4149779	4231049
Material Shifting & Handling Charges	3028426	2745716
Manufacturing Expenses (Bettiaha Project)	123388	56129
Other Manufacturing Expenses	1962107	995348
TOTAL (A)	<u>84691087</u>	<u>91116704</u>
B. General & Administrative Overheads :		
Rent, Rates & Taxes	3009674	2815552
Charity & Donation	181076	121100
Computer Charges	641934	484499
Stationery & Printing	673794	521656
Telephones & Internet	1940939	1718698
Postage & Courier	206482	220857
Travelling & Conveyance	14396779	12154175
Legal & Professional Charges	4667655	6433225
Auditor's Remuneration	65000	60000
Insurance	290298	217775
Loss on Sale of Assets	16953	619
Other Expenses	2424219	2285344
TOTAL (B)	<u>28514803</u>	<u>27033500</u>
C. Selling & Distribution Expenses :		
Sales Promotion	1276215	1461016
Freight & Cartage outward	3516989	5242364
Sales Commission & Discount	1820369	2170043
Advertisement & Exhibition	1687400	3399741
Bad Debts	1085188	898565
Late Delivery Charges	345983	88060
After Sales & Service	323440	963350
Other Expenses	246238	-34580
TOTAL (C)	<u>10301820</u>	<u>14188558</u>
GRAND TOTAL (A+B+C)	<u>123507711</u>	<u>132338762</u>
NOTE NO. 23		
Interest & Finance charges		
On Fixed Period Loans	5208344	4698921
Other Loans (Bank)	16462894	17530593
Interest to Others	232912	653221
Other Financial charges	2254083	2786618
TOTAL (A)	<u>24158232</u>	<u>25669353</u>
Less : Interest Received	2279196	2436394
TOTAL (B)	<u>2279196</u>	<u>2436394</u>
GRAND TOTAL (A-B)	<u>21879036</u>	<u>23232960</u>



(Amount in ₹)

Particulars	Amount As at 31.03.2016	Amount As at 31.03.2015
NOTE NO. 24		
CONTINGENT LIABILITIES :		
(i) Guarantees issued by Banks	3,65,50,070	3,67,44,088
(ii) Tax demand for CST, VAT & Entry Tax for the years , 2010-11 to 2013-14 appealed against but not provided for in account	1,08,63,489	75,99,061
NOTE NO. 25		
Auditor's Remuneration includes the following		
a) For Statutory Audit	50,000	48,000
b) For Tax Audit	7,500	6,000
c) For Reimbursement of expenses	7,500	6,000
d) For Certification Work	30000	12000
TOTAL:	95,000	72,000
NOTE NO. 26		
Managerial Remuneration :		
Particulars of remuneration to the Directors (Including remuneration & perquisites of Managing Director of Rs.35,49,600/-		
(a) Salary, Allowances & Bonus	63,18,000	51,51,600
(b) PPF Contribution	4,68,000	3,81,600
(c) Sitting fee	7,80,000	7,92,000
TOTAL:	75,66,000	63,25,200
The Company has passed Special Resolution in Annual General Meeting of the company. Therefore Managerial Remuneration paid is within limits prescribed in Section 2 of Schedule V read with Section 197 of the Companies Act, 2013.		
NOTE NO. 27		
Expenditure / Remittances in Foreign Currency on Account of		
- Raw Materials	5,05,29,874,	3,32,28,253
- Others	4,66,834	9,98,463
TOTAL:	5,09,96,708	3,42,26,716
NOTE NO. 28		
Earnings in Foreign Exchange :-		
- Export of Goods on CIF / FOB Basis and Advance from customers	1,61,95,698	2,91,90,137
TOTAL:	1,61,95,698	2,91,90,137

NOTE NO. 29**Particulars of consumption of Imported and Indigenous Raw Materials:**

	2015-2016		2014-2015	
	<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>
Imported	5,05,29,874	13.89%	3,32,28,253	9.47%
Indigenous	31,33,20,338	86.11%	31,77,86,882	90.53%
Total :	36,38,50,212	100.00%	35,10,15,135	100.00%



(Amount in ₹)

Note No. 30			
Related party disclosures in terms of accounting standard 18:			
(a)	Remswags Marketing Pvt.Ltd. & Steel Engg. Centre (A Company controlled by relatives of Directors)		
	Sales	Rs.	46,81,106/-
	Purchases & Job work	Rs.	72,03,922/-
	Outstanding Balance as on 31/03/2016	Cr. Rs.	53,85,811/-
(b)	Indore Tools Pvt.Ltd. : (A Company controlled by relatives of Directors)		
	Investment in shares	Rs.	3761885/-
	Sales	Rs.	805441/-
	Purchases & Job Work	Rs.	39808846/-
	Outstanding Balance as on 31/03/2016	Cr. Rs.	6797458/-
(c)	M.M. Metals Pvt. Ltd. (Subsidiary Company)		
	Extent of Holding 89.58%		
	Investment in Shares	Rs.	21,500/-
	Outstanding Balance as on 31/03/2016	Dr. Rs.	99,26,324/-
(d)	Dimart Engineering Pvt. Ltd. (Related Party)		
	Investment in Shares	Rs.	4,00,000/-
	Outstanding Balance as on 31/03/2016	Dr. Rs.	1,81,41,357/-
(e)	Remuneration paid to relatives of Key management personnel :		
	Shri Ravish Jain	Rs.	11,31,840/-
	Shri Prakhar Jain	Rs.	11,31,840/-
	Shri Manish Jain	Rs.	11,31,840/-
	Smt. Bharti	Rs.	3,60,000/-
	Smt. Madhu Jain	Rs.	1,50,000/-
	Shri Shekhar Jain	Rs.	11,31,840/-

Note No.31**The Earning Per Share (EPS) is worked out as under (AS 20) :**

(Amount in ₹)

	<u>2015-2016</u>	<u>2014-2015</u>
A. Profit after tax	2,10,32,798/-	2,39,36,760/-
B. Weighted Average Number of shares (Paid-Up) outstanding during the year	32,54,399	32,54,399
C. Earning per share (A/B)	6.46	7.04
D. Face Value per share	10/-	10/-

Note No. 32**Disclosure as per Clause 32 of the Listing Agreement**

Loans and advances in the nature of loans given to subsidiaries :

(Amount in ₹)

Name of the Company	Relationship	Amt. Outstanding as on 31.3.2016	Maximum balance outstanding during the year
M.M. Metals Pvt. Ltd. (89.58% stake by ITL Industries Ltd.)	Subsidiary	99,26,324/-	1,01,46,324/-

**NOTE NO. 33**

The amount due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined due to non-availability of information from the enterprises. However, no interest was paid / payable in terms of Section 16 of the said Act.

Note No. 34

Income Tax Assessments of the Company have been completed upto Assessment Year 2013-14.

Note No. 35

In terms of Accounting Standard 17, the Company has identified following segments and the details is furnished as under:

SEGMENT WISE REPORT FOR YEAR ENDED 31st MARCH, 2016

(Amount in ₹)

	Particulars	Year ended 31/03/2016	Year ended 31/03/2015
1.	<u>Segment Revenue :</u>		
	Machine Manufacturing	4444.16	4446.62
	Trading Activities	1676.20	1484.67
	Total	<u>6120.36</u>	<u>5931.29</u>
	Less : Inter Segment Revenue	432.35	345.39
	Net Sales / Income from Operation	<u>5688.01</u>	<u>5585.90</u>
2.	<u>Segment Profit / (Loss) before Tax and interest :</u>		
	Machine Manufacturing	314.09	315.12
	Trading Activities	180.17	178.67
	Total	494.26	493.79
	Less : Interest	218.79	232.33
	Net Profit before Tax	<u>275.47</u>	<u>261.46</u>
3.	<u>Capital Employed :</u>		
	(Segment Assets – Segment Liabilities)		
	Machine Manufacturing	1285.91	1473.00
	Trading Activities	1131.34	753.20
	Total	<u>2417.25</u>	<u>2226.20</u>

Note No. 36

RESEARCH AND DEVELOPMENT EXPENDITURE

	2015-16	2014-15
Capital Expenditure	27,27,667	204019
Revenue Expenditure	2,02,46,608	17468437
Total	<u>2,29,74,276</u>	<u>17672456</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

(Amount in ₹)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra Ordinary Adjustments:	27547120	26146494
Depreciation for the year	10019522	9419733
Interest Paid	21879036	23232960
Operating Profit before working capital changes	<u>59445678</u>	<u>58799187</u>
ADJUSTMENT :		
Trade and other receivables	(30252236)	(8272165)
Inventories	(29870974)	(42586719)
Current Liabilities & Provision	12492457	33380838
Other Current Assets	12754180	2059304
Cash Generated from operation	<u>24569105</u>	<u>43380445</u>
Interest paid	(21879036)	(23232960)
Direct Tax paid (Net)	(6659322)	(4739734)
Cash Flow before extra ordinary adjustments	<u>(3969253)</u>	<u>15407751</u>
Extra Ordinary Items :		
Loss / Profit on Sale of Investment	(387507)	0
Loss / Profit on Sale of Fixed Assets	(16518)	619
NET CASH FLOW FROM OPERATING ACTIVITIES	Total (A) : <u>(4373279)</u>	Total (A) : <u>15408370</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Net)	(11997754)	(3438795)
Investment made during the year	1451487	704878
NET CASH USED IN INVESTING ACTIVITIES	Total (B) : <u>(10546267)</u>	Total (B) : <u>(2733917)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long Term Borrowings (Net)	(9957841)	2952293
Proceeds from Short Term Borrowings	13965547	(11596617)
Dividend / Corporate Dividend Tax paid	(1927654)	(1921825)
NET CASH FLOW FROM FINANCING ACTIVITIES	Total (C) : <u>2080052</u>	Total (C) : <u>(10566149)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENT	Total (A+B+C) <u>(12839495)</u>	Total (A+B+C) <u>2108304</u>
CASH AND CASH EQUIVALENT AS AT 01.04.2015 (Opening Balance)	21709689	19601385
CASH AND CASH EQUIVALENT AS AT 31.03.2016 (Closing Balance)	8870194	21709689

For Mahaveer M.Jain & Co.

For and On behalf of the Board

PLACE : INDORE
DATED : 30.05.2016

(Mahaveer K.Jain)
Proprietor

(Rajendra Singh Jain)
Managing Director
DIN : 00256515



DIRECTOR'S REPORT

To,
The Members of,
M.M. Metals Pvt. Ltd.
INDORE (M.P.)

Dear Members,

Your Directors are pleased to present the 4th Annual Report and the Company's Audited financial statements for the Financial Year ended March 31, 2016.

1. FINANCIAL RESULTS

The company could not commence its operation during the year, therefore No Statement of Profit and Loss Account has been prepared.

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The company could not start any activity in the year.

3. DIVIDEND

The Company has not declared any dividend during the year.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company has no Associate and Joint Ventures. The company is a Subsidiary of ITL Industries Ltd with 89.58% Share Holding.

5. DIRECTORS RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013:

- (a) In the preparation of the annual accounts, the applicable accounting had been followed along with proper explanation relating to material departure;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. AUDITOR AND AUDITORS REPORT

M/s. Mahendra Badjatya & Co (ICAI FRN 001457C), Chartered Accountants, Statutory Auditors of the Company, continue to hold their office till the Financial Year 2018-2019 and the Board ratifies their appointment as such.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments under section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Provisions of Section 135 of the Companies Act, 2013 read with rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company.

8. RISK MANAGEMENT

The company does not have any risk other than normal business risk therefore there is no any written risk management policy so far adopted by the company.

9. DIRECTORS

During the year, there is no change in the constitution of board of directors of the company.

10. INTERNAL FINANCIAL CONTROLS

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

11. DISCLOSURE U/S 134 (3)

Pursuant to the provisions of sec 134 (3) read with Companies (Accounts) Rules, 2014. The required information & disclosures, to the extent applicable to the company are as under:



- a) The Extracts of Annual Return as per Form no. MGT-9 is annexed herewith as Annexure – A.
- b) The company has not accepted any deposit from public within the meaning of section 73 of the Companies Act, 2013.
- c) During the year Five Board meetings were held, as against the minimum requirement of four meetings.
- d) The particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in the Form AOC-2 is enclosed herewith as per Annexure - B.
- e) Statement of Conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable to the company.

12. MATERIAL CHANGES

There are no material changes affecting the financial position of the company which occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

13. ACKNOWLEDGEMENT

The Board of Directors places its sincere gratitude for the assistance and co-operation received from its directors and consultants.

Registered Office:

PLOT NO.103-B, SANWER ROAD
CIN- U02710MP1983PTC002163
INDORE – 452003 (M.P.)

By Order of the Board

Meena Jain Manish Jain
Director Director
(DIN00256341) (DIN00444115)

PLACE: INDORE
DATE: 30/05/2016

ANNEXURE –A TO THE DIRECTORS REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U02710MP1983PTC002163
(ii)	Registration Date	11/04/1983
(iii)	Name of the Company	M.M. METALS PRIVATE LIMITED
(iv)	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
(v)	Address of the Registered office & contact details	PLOT NO.103-B, SANWER ROAD, INDORE (M.P.) Telephone No: 09300055681 E-mail ID: cs@itl.co.in
(vi)	Whether listed company	No
(vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NA	NA	0

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	ITL Industries Ltd 111-Sector-B, Sanwer Road, Industrial Area, Indore (M.P)	L28939MP1989PLC005037	HOLDING	89.58	2(46)


IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 01/04/2015				No. of Shares held at the end of the year as on 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters Shareholding	0	2500	2500	10.42	0	2500	2500	10.42	0
B) Bodies Corporate	0	21500	21500	89.58	0	21500	21500	89.58	0
C) Any Other	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	24000	24000	100%	0	24000	24000	100%	0

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01/04/2015				Share holding at the end of the year as on 31/03/2016			% change in Shareholding during the year Increase/ (Decrease)
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered total shares		
1.	ITL Industries Ltd. (Holding Company)	21500	89.58	0	21500	89.58	0	0	
2.	Smt. Meena Jain	1250	5.21	0	1250	5.21	0	0	
3.	Shri Manish Jain	1250	5.21	0	1250	5.21	0	0	
	Total	24000	100%	0	24000	100%	0	0	

iii) Change in Promoters' Shareholding (Please specify, if there is no change) – No Change
iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): NIL

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Director (At the beginning of the year)	Shareholding at the beginning of the year (01/04/2015)		Changes during the year				Shareholding at the end of the year (31/03/2016)	
		No of Shares	% of total Shares of the Company	Date	Increase (No of Shares)	Decrease (No of Shares)	Reason	No of Shares	% of total Shares of the Company
1	Meena Jain	1250	5.21	0	0	0	NA	1250	5.21
2	Manish Jain	1250	5.21	0	0	0	NA	1250	5.21

**V. INDEBTEDNESS**

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

Amount in (₹)

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	10146324	0	10146324
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	10146324	0	10146324
Change in Indebtedness during the financial year				
• Addition	0	30000	0	30000
• Reduction	0	250000	0	250000
Net Change	0	220000	0	220000
Indebtedness at the end of the financial year				
i) Principal Amount	0	9926324	0	9926324
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	9926324	0	9926324

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL
- B. Remuneration to other directors: NIL
- C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year there were no Penalties/Punishments/Compounding of offences levied/ordered against the Company or any of its Directors/Officers.

Registered Office:

PLOT NO.103-B, SANWER ROAD, INDORE
CIN- U02710MP1983PTC002163
INDORE – 452003 (M.P.)

By Order of the Board

Meena Jain
(DIN00256341)

Manish Jain
(DIN00444115)

PLACE: INDORE
DATE: 30/05/2016



Annexure - B

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the
Act and Rule 8(2) of their Companies (Accounts) Rules, 2014.

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

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

S.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	/
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	ITL Industries Ltd – Holding Company
2	Nature of contracts/arrangements/transaction	Loan Taken
3	Duration of the contracts/arrangements/transaction	As per terms of agreement
4	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 9926324/
5	Date of approval by the Board	19/01/2012
6	Amount paid as advances, if any	NIL

Registered Office:
PLOT NO.103-B, SANWER ROAD,
INDUSTRIAL AREA, INDORE
CIN- U02710MP1983PTC002163
INDORE – 452003 (M.P.)

By Order of the Board

Meena Jain
Director
(DIN00256341)

Manish Jain
Director
(DIN00444115)

PLACE: INDORE
DATE: 30/05/2016



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
M.M. METALS PRIVATE LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M.M. Metals Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

We 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 control 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 the 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 financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its 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 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, None of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to the same are not applicable to the company.

Statutory Auditors
For Mahendra Badjatya & Company
Chartered Accountants
ICAI FRN- 001457C

CA Nirdesh Badjatya
Partner
ICAI MNO 420388

Place : Indore
Date : 30.05.2016



ANNEXURE - A TO INDEPENDENT AUDITORS REPORT

The Annexure required under CARO, 2016 referred to in our Report to the members of the M.M. Metals Private Limited (“the Company”) for the year ended 31 March 2016, and according to information and explanations given to us, we report as under:

- (i) (a) The company has maintained adequate records on computer showing general particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- (c) According to the information & explanations given to us all the immovable properties of the company are held in the name of company.
- (ii) On the basis of our examination of the records of the company, the company has no inventories at the end of the year, therefore the reporting requirement of this clause is not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The company has not granted any loans, guarantees or securities and made any investments therefore the reporting requirement of this clause is not applicable to the company.
- (v) The company has neither invited nor accepted any deposits from the public during the period therefore the reporting requirement of the clause is not applicable to the company.
- (vi) In our opinion and as per the nature of business of the company, no Cost records have been prescribed by the central government under sub section (1) of section 148 of the Companies Act 2013.
- (vii) (a) According to the records of the Company and according to the information and explanations given to us by the management, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees state insurance, Income Tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, whichever is applicable to the company with the appropriate authorities during the year and no undisputed amounts were outstanding as at 31st March, 2016 for a period of more than six months, from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) The company has not taken any loans or borrowings from a financial institution, Bank, Government and also does not have any debenture holder therefore the reporting requirement of the clause is not applicable to the company.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion the company has not obtained any term loan during the year.
- (x) Based upon the audit procedures performed, during the year no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit;
- (xi) The company has not paid/provided any managerial remuneration during the year therefore the reporting requirement of the clause is not applicable to the company.
- (xii) In our opinion the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statement as required by the applicable standards.
- (xiv) To the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) As per the transactions of the company, the company is not required to be registered u/s 45IA of the Reserve Bank of India Act, 1934 therefore the reporting requirement of the clause is not applicable to the company.

Statutory Auditors
For Mahendra Badjatya & Company
Chartered Accountants
ICAI FRN- 001457C

CA Nirdesh Badjatya
Partner
ICAI MNO 420388



Annexure - B to the Independent Auditors' Report
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 M.M. Metals Private Limited as of 31 March 2016 in conjunction with our audit of the 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 (the "Guidance Note"). 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 Act.

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 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 applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material 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, and to the best of our information and according to the explanation given to us, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Statutory Auditors
For Mahendra Badjatya & Company
Chartered Accountants
ICAI FRN- 001457C**

**CA Nirdesh Badjatya
Partner
ICAI MNO 420388**

Place : Indore
Date : 30.05.2016



M.M. METALS PRIVATE LIMITED
Balance Sheet as at 31st March, 2016

(Amount in ₹)

	Particulars	Note No.	Amount As At 31.03.2016	Amount As At 31.03.2015
I.	EQUITY AND LIABILITIES			
	(1) <u>Shareholder's Funds</u>			
	Share Capital	"1"	2400000	2400000
	(2) <u>Non Current Liabilities</u>			
	(a) Long Term Borrowings	"2"	9926324	10146324
	(3) <u>Current Liabilities</u>	"3"	15312	11562
	TOTAL		12341636	12557886
II.	ASSETS			
	(1) <u>Non-Current Assets</u>			
	(a) Fixed Assets	"4"	12180000	12450000
	(b) Cash & Cash Equivalents	"5"	21967	29262
	(c) Pre-Operative Expenditures	"6"	139669	78624
	TOTAL		12341636	12557886

SIGNIFICANT ACCOUNTING

"7"

POLICIES AND ADDITIONAL NOTES ON ACCOUNTS

FORMING AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

As Per our report of even date attached
Statutory Auditors
For MAHENDRA BADJATYA & COMPANY
CHARTERED ACCOUNTANTS
ICAI F.R.N. 001457C

(Meena Jain)
Director
DIN : 00256341

(Manish Jain)
Director
DIN : 00444115

CA NIRDESH BADJATYA
(Partner)
ICAI MNO 420388

DATED : 30/05/2016
PLACE : INDORE



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2016**

**NOTE - 1
SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 100 each	25000	2500000	25000	2500000
Issued, Subscribed & Paid up				
Equity Shares of ₹ 100 each fully paid up	24000	2400000	24000	2400000
TOTAL	24000	2400000	24000	2400000

Note:

- (i) The Company has only one class of Equity Shares, each equity share is entitled for one vote.
(ii) Out of the above, 21500 equity shares of ₹100 each are held by ITL Industries Limited, being holding company.

Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	2015-16		2014-15	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	24000	2400000	24000	2400000
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	24000	2400000	24000	2400000

Details of shareholders holding more than 5% shares of the company

(Amount in ₹)

Particulars	As on 31st March 2016		As on 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ITL Industries Limited (Holding Company)	21500	89.58	21500	89.58
Smt. Meena Jain	1250	5.21	1250	5.21
Shri Manish Jain	1250	5.21	1250	5.21
TOTAL	21500	100.00	21500	100.00

NOTE-2

(Amount in ₹)

NON CURRENT LIABILITIES

As on 31.03.2016

As on 31.03.2015

Inter Corporate Loan

Loan from ITL Industries Limited (Holding Company)

9926324

10146324

TOTAL**9926324****10146324****NOTE-3****CURRENT LIABILITIES**

Trade Payable

15312

11562

TOTAL**15312****11562****NOTE-4****FIXED ASSETS**

Fixed Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION & IMPAIRMENT				NET BLOCK		
	Balance as at 1st April 2015	Additions	Deductions	Balance as at 31st March 2016	Balance upto 1st April 2015	Depreciation Charge for the year	Adjustment due to disposal	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
TANGIBLE ASSETS										
Land										
Leasehold Industrial Land & Site Development	3900000	0	0	3900000	0	0	0	0	3900000	3900000
Building										
Factory Building & Shed	50000	0	0	50000	0	0	0	0	50000	50000
Plant & Machinery										
Plant, Machinery & Electrical Installation	400000	0	270000	130000	0	0	0	0	130000	400000
INTANGIBLE ASSETS										
Goodwill	8100000	0	0	8100000	0	0	0	0	8100000	8100000
TOTAL (CURR. YR.)	12450000	0	270000	12180000	0	0	0	0	12180000	12450000
TOTAL (PREV. YR.)	17100000	0	4650000	12450000	0	0	0	0	12450000	12450000



**NOTE-5
CASH & CASHEQUIVALENTS**

	As at 31 March 2016	(Amount in ₹) As at 31 March 2015
Cash	18000	0
Bank (ICICI Bank)	3967	29262
TOTAL	21967	29262

**NOTE-6
PRE-OPERATIVE EXPENSES**

	2015-2016	2014-2015
Office Expenses	1995	1995
Bank Charges	393	393
Legal & Professional Expenses	106106	51811
Audit Fees	21986	16236
Security Expenses	8189	8189
ROC Challan Expenses	1000	0
TOTAL	139669	78624

NOTE-7

SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES ON ACCOUNTS FORMING AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting :

These Financial Statements have been prepared in accordance with generally accepted accounting principles and specified standards in India under the historical cost convention generally on accrual basis and in accordance with applicable accounting standards as prescribed U/s 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014.

2. Fixed Assets:

Fixed Assets are stated at acquisition cost less depreciation.

3. Depreciation:

No depreciation has been provided on Fixed Assets in the current year as there is no operation during the year however in future it will be provided on the basis of Straight Line Method as per the rates prescribed in Schedule II to the Companies Act, 2013, according to period of use.

B. Additional Notes on Accounts :

- (1) Notes 1 to 7 forms an integral part of these Financial Statements.
- (2) In the absence of any stipulation towards the payment of interest, no provision of interest on the dues of ITL Industries Ltd. has been made.
- (3) As per the requirement of AS-18, related party disclosures are given as under :-

Name of Party	Relationship	Nature of Transaction	Amount (₹)
ITL Industries Ltd.	Holding Company	Loan Taken	30,000
ITL Industries Ltd.	Holding Company	Loan Repaid	250,000

- (4) Since the company could not commence any business, therefore no Profit & Loss statement has been prepared.
- (5) Additional information pursuant to clause (viii) of part II of Schedule III - Nil
- (6) Figures are rounded off to the nearest multiple of a rupee.
- (7) Previous Year Figures have been regrouped or rearranged Where ever necessary.

As Per our report of even date attached
Statutory Auditors
For MAHENDRA BADJATYA & COMPANY
CHARTERED ACCOUNTANTS
ICAI F.R.N. 001457C

(Meena Jain)
Director
DIN : 00256341

(Manish Jain)
Director
DIN : 00444115

CA NIRDESH BADJATYA
(Partner)
ICAI MNO 420388

DATED : 30/05/2016
PLACE : INDORE



M.M. METALS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2016

Amount in ₹

PARTICULARS		2015-16		2014-15
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Items		0		0
Adjustment for :				
Depreciation	0		0	
Dividend Received	0		0	
Interest Received	0	0	0	0
Operating profit before working capital changes		0		0
Adjustment for Current Assets :				
Increase in Current Liabilities	3750		1562	
Increase in Current Assets	0	3750	0	1562
Preoperative Expenses		(61045)		(56440)
Cash generated from Operations before Extraordinary Items		(57295)		(54878)
Adjustment for :				
Excess Provision of Income Tax written off		0		0
Net Cash in flow from operating activities (A)		(57295)		(54878)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets		0		0
Sale of Fixed Assets		270000		4650000
Net Cash flow from Investing activities (B)		270000		4650000
C) CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Share Capital		0		0
Loan taken from Holding Company		30000		0
Repayment of loan		(250000)		(4565860)
Net Cash flow from Financing activities (C)		(220000)		(4565860)
Net increase / decrease in cash & cash equivalents (A+B+C)		-7295		29262
Opening Balance - Cash & cash equivalents		29262		0
Closing Balance - Cash & cash equivalents		21967		29262

As Per our report of even date attached
Statutory Auditors
For MAHENDRA BADJATYA & COMPANY
CHARTERED ACCOUNTANTS
ICAI F.R.N. 001457C
CA NIRDESH BADJATYA
(Partner)
ICAI MNO 420388

(Meena Jain)
Director
DIN : 00256341

(Manish Jain)
Director
DIN : 00444115

DATED : 30/05/2016
PLACE : INDORE



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF ITL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ITL INDUSTRIES LIMITED (hereinafter referred to as “the Holding Company”), its subsidiary and associates (the Holding Company, its subsidiary and associates, together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 the 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 there under.

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 the 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 auditors 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 audit opinion on the consolidated financial statements.

Opinion

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



Emphasis of Matter

None.

Other Matters

- (a) We did not audit the financial statements / financial information of M/s M.M. Metals Pvt. Ltd., the subsidiary, whose financial statements / financial information reflect total assets of Rs.12341636/- as at 31st March, 2016, total revenues of Rs.NIL and net cash flows amounting to (Rs.7295/-) for the year 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 this subsidiary, 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 subsidiary is based solely on the reports of the other auditor.
- (b) We did not audit the financial statements / financial information of M/s Indore Tools Pvt. Ltd., one of the associates. 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 this Associate, 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 associate is based solely on the reports 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 auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, based on the comments in the auditors' reports of the Holding company, subsidiary company we do not give a separate report on the matters specified in paragraphs 3 and 4 of the Order, as the subsidiary company has not yet commenced its operations.
2. 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, 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 auditors.
 - (c) 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.
 - (d) In our opinion, 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.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For MAHAVEER M JAIN AND CO.
(Chartered Accountants)

MAHAVEER K. JAIN
(Proprietor)

Membership No : 70966
FRN. :001749C

Place : INDORE
Date : 30/05/2016



Consolidated Balance Sheet as at 31 March, 2016

(Amount in ₹)

	Particulars	Note No.	Amount As At 31.03.2016	Amount As At 31.03.2015
A	EQUITY AND LIABILITIES			
	Share Holder's Fund			
	(a) Share Capital	1	34672493	34672493
	(b) Reserve & Surplus	2	216968848	196896392
	(c) Minority Interest	3	250000	250000
	Non Current Liabilities			
	(a) Long-term borrowings	4	25311427	35269268
	(b) Deferred tax liabilities		14031578	14176578
	Current Liabilities			
	(a) Short-term borrowings	5	136167635	122202088
	(b) Trade Payables	6	124713640	106837171
	(c) Other current liabilities	7	61072980	66453242
	TOTAL		613188601	576757232
B	ASSETS			
	Non Current Assets			
	(a) Fixed assets			
	(i) Tangible assets	8	92853029	92781845
	(ii) Intangible assets	8	13261860	11608294
	(iii) Capital work-in-progress		0	0
	(iv) Intangible assets under development		0	0
	(b) Non current investment	9	17267471	16942262
	(c) Long-term loans and advances	10	6596826	4092280
	(d) Other non-current assets	11	139669	78624
	Current Assets			
	(a) Current investments	12	3523927	3945804
	(b) Inventories	13	250126109	220255135
	(c) Trade receivables	14	191108493	160856257
	(d) Cash and cash equivalents	15	8892161	21738951
	(e) Short-term loans and advances	16	29419056	44457781
	TOTAL		613188601	576757232
	Notes on financial statements Corporate Information & Significant accounting policies	1 to 24		

In terms of our report attached. For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS
Reg. No. : 001749C

Rajendra Singh Jain
Managing Director
DIN : 00256515

Mahendra Singh Jain
Joint Managing Director
DIN : 00256047

(Mahaveer K. Jain)
Proprietor
No. : 070966

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

DATED : 30/05/2016
PLACE : INDORE



**CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31st MARCH, 2016**

(Amount in ₹)

	Particulars	Note No.	Total 31.03.2016	Total 31.03.2015
	CONTINUING OPERATIONS			
A	Revenue from Operations			
	Sales	17	612199976	603494253
	Other income	18	6344575	2245508
	Total Revenue		618544551	605739761
B	Expenses			
	(a) Cost of Material consumed	19	363850212	351015135
	(b) Changes in inventories of finished goods and work-in-progress	20	-3008025	-2064299
	(c) Employee benefits expenses	21	74748976	65650977
	(d) Other expenses	22	123507711	132338762
	(e) Interest and financial overheads	23	21879036	23232960
	(f) Depreciation and amortisation expenses		10019522	9419733
	Total Expenses		590997431	579593267
	Profit before exceptional and extraordinary items and tax		27547120	26146494
	Exceptional items		0	0
	Profit before extraordinary items and tax		27547120	26146494
	Extraordinary items		0	0
	Profit before tax		27547120	26146494
	Tax Expenses:			
	(a) Current tax expenses		5800000	4500000
	(b) Tax Expenses of Previous Years		859322	239734
	(c) Deferred tax		-145000	-1530000
			6514322	3209734
	Profit for the year		21032798	22936760
	Share in Profit of Associates		967312	975791
	Consolidated Profit for the year		22000110	23912551
	Notes on financial statements Corporate Information & Significant accounting policies	1 to 24		

In terms of our report attached. For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS
Reg. No. : 001749C

Rajendra Singh Jain
Managing Director
DIN : 00256515

Mahendra Singh Jain
Joint Managing Director
DIN : 00256047

(Mahaveer K. Jain)
Proprietor
No. : 070966

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

DATED : 30/05/2016
PLACE : INDORE



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2016**

(Amount in ₹)

Particulars	Total 31.03.2016	Total 31.03.2015
NOTE NO. 1		
Share Capital		
(a) Authorised		
Equity Shares 40,00,000 of Rs.10/- each and 25,000 of Rs. 100/- each	42500000	42500000
(b) Issued, Subscribed & Paid-up		
Equity Shares 32,97,300 of Rs.10/- each and 24,000 of Rs. 100/- each	32973000	32973000
Less : Amount due on a/c.of Allotment money	429007	429007
(c) Difference in face value and investment value by holding company.	2128500	2128500
TOTAL	34672493	34672493
NOTE NO. 2		
Reserves & Surplus		
(a) Surplus/(Deficit) in Statement of Profit & Loss		
Opening Balance	9311049	3562823
Less: Difference in Carrying values due to charge of depreciation according to Schedule II of The Companies Act 2013	0	4501709
Add: Profit/(Loss) for the year	22000110	23912551
TOTAL	31311159	22973665
Less: Transferred to General Reserve	19235000	10765000
Less: Proposed Dividend	1601600	1601600
Less: Dividend Distribution Tax	326054	320225
TOTAL	10148505	10286840
Add: Share in Revenue Profit (Associates)	4846552	3870761
Closing Balance (a)	14995057	14157601
(b) General Reserve		
Balance as per last Balance Sheet	180765000	170000000
Add: Transfer from P & L A/c	19235000	10765000
Closing Balance (b)	200000000	180765000
(c) Security premium Account		
Balance as per last Balance Sheet	0	0
Add: Share in Security Premium (Associates)	1973791	1973791
Closing Balance (c)	1973791	1973791
TOTAL (a) + (b) + (c)	216968848	196896392
NOTE NO. 3		
Minority Interest		
Share Capital	250000	250000
TOTAL	250000	250000
NOTE NO. 4		
Long-Term Borrowings		
Secured		
(a) Term Loan		
Madhya Pradesh Financial Corporation, Indore	24701943	34432010
(Secured by first legal mortgage in respect of Company's fixed assets both present and future and personal guarantee of Directors. Repayable in quarterly instalments over specified period of loans last instalment due in Jan. 2019)		
(b) From Others	609484	837258
(Against hypothecation of Vehicles acquired out of the loan. Repayable in equated monthly instalments over the period of loans)		
TOTAL	25311427	35269268



(Amount in ₹)

Particulars	Total 31.03.2016	Total 31.03.2015
NOTE NO. 5		
Short -Term Borrowings		
Secured		
Loans repayable on demand		
From State Bank of India	75853578	67812110
From Bank Of Baroda	49565829	53874592
(Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivable both present & future and personal guarantee of Directors and first pari passue charge on various plots of the company)		
Unsecured		
From Axis Bank	1983215	0
(Simens Ltd. channel financing loan from Axis Bank)		
Inter Corporate Deposit	5066921	0
Loans and advances from related parties		
From Directors	3698092	515386
TOTAL	136167635	122202088
NOTE NO. 6		
Trade Payables		
Creditors for goods and services received	124713640	106837171
TOTAL	124713640	106837171
NOTE NO. 7		
Other Current Liabilities		
(a) Current maturities of long-term debt		
Term Loan		
Madhya Pradesh Financial Corporation, Indore	10475000	8000000
S.B. of India	303517	1055323
From Others	224719	853060
(b) Interest accrued but not due on borrowings		
Interest payable to MPFC	722274	0
(c) Other payables		
(i) Statutory remittances	6672780	7110429
(ii) Payables on purchase of fixed assets	0	211725
(iii) Contractually reimbursable expenses	14554511	15354797
(iv) Customers credit Balances	25164170	30723594
(v) Proposed dividend	1601600	1601600
(vi) Unclaimed dividend	1354409	1542714
TOTAL	61072980	66453241



NOTE NO. 8
FIXED ASSETS

PARTICULARS	GROSS BLOCKS				ACCUMULATED DEPRECIATION & IMPAIRMENT					NET BLOCK	
	Balance as at 01.04.2015	Additions during the year	Disposals during the year Subsidy Recd	Balance as at 31.03.2016	Balance as at 01.04.2015	Depreciation Charged to Retained Earnings	Depreciation/ Amortisation expenses for the year	Written back during the year	Balance as at 31.03.2015	Balance as at 31.03.2016	Balance as at 31.03.2015
(A) TANGIBLE ASSETS (FOR OWN USE)											
Land	7407627	0	0	7407627	0	0	0	0	0	7407627	7407627
Site Development	150004	0	0	150004	45052	0	4875	0	49927	100077	104952
Building	50513409	0	0	50513409	10452267	0	1400723	0	11852990	38660419	40061142
Plant & Machinery	39950925	5542592	377100	45116417	18205564	0	3560086	33618	21732032	23384385	21745361
Other Equipments	14246070	0	0	14246070	8625582	0	754229	0	9379811	4866259	5620488
Electrical Equipment	467194	0	0	467194	420945	0	34569	0	455514	11680	46249
Office Equipment	9243491	372949	0	9616440	5263274	0	692463	0	5955737	3660703	3980217
Furniture & Fixture	15885854	3193272	0	19079126	7790410	0	1303921	0	9094331	9984795	8095444
Computer & Software	10246229	219793	0	10466022	9906320	0	169064	0	10075384	390638	339909
Motor Car	11641173	120165	131100	11630238	6292891	0	1045636	67766	7270761	4359477	5348282
Cycle & Handcart	70983	0	0	70983	38809	0	5204	0	44013	26970	32174
TOTAL	159822958	9448771	508200	168763530	67041113	0	8970771	101384	75910500	92853029	92781845
(B) INTANGIBLE ASSETS (FOR OWN USE)											
Software	15817996	2702317	0	18520313	12763088	0	739914	0	13503003	5017311	3054908
Technical Know-How	3141619	0	0	3141619	2688233	0	308836	0	2997069	144550	453386
Goodwill	8100000	0	0	8100000	0	0	0	0	8100000	8100000	8100000
TOTAL - (B)	27059615	2702317	0	29761932	15451322	0	1048750	0	16500072	13261860	11608294
TOTAL - (A) + (B)	186882573	12151088	508200	198525462	82492435	0	10019522	101384	92410572	106114890	104390139
Previous year	188726859	3470695	5314980	186882573	69203454	4501709	9419733	632461	82492435	104390139	

Particulars	Total 31.03.2016 (Amt. in ₹)	Total 31.03.2015 (Amt. in ₹)
NOTE NO. 9		
Investments (At Cost)		
Trade Investments		
<u>Unquoted, Non-Trade-Long Term :-</u>		
- Investment in equity instruments of Associates		
M/s.Luhadiya Sons Shahpura P. Ltd.		
Share in Net assets	2968339	2968339
Add : Goodwill / (Capital Reserve) on consolidation	2336081	2336081
Equity Investment in Associate at cost	5304420	5304420
Add : Share in Profit / Reserves of Associates	1920825	1846693
TOTAL	7225245	7151113
M/s.Indore Tools Pvt. Ltd.		
Share in Net assets	4336326	4574416
Add : Goodwill / (Capital Reserve) on consolidation	(574441)	(574441)
Equity Investment in Associate at cost	3761885	3999975
Add : Share in Profit / Reserves of Associates	5866830	4973650
TOTAL	9628715	8973625
- Investment in other companies		
M/s.Dimart Engineering P.Ltd. (Related Party)		
	400000	400000
Others	13511	417524
TOTAL	413511	817524
TOTAL	17267471	16942262



(Amount in ₹)

Particulars	Amount As At 31.03.2016	Amount As At 31.03.2015
NOTE NO. 10		
Long-term loans and advances		
Deposits (secured, considered good)	6596826	4092280
TOTAL	6596826	4092280
NOTE NO. 11		
Other Non Current Assets		
Preoperative Expenses	139669	78624
TOTAL	139669	78624
NOTE NO. 12		
Current Investments (At Cost)		
Trade Investments		
(a) Quoted but not listed-current Investments	2049900	1651900
(b) Quoted and Listed (Equity shares)	1474027	2293904
TOTAL	3523927	3945804
NOTE NO. 13		
Inventories		
(Valued at Cost)		
(a) Raw Materials & Bought Out Components	102540411	99765194
(b) Work in Process & Semi finished Goods	58079767	54252984
(c) Finished Products	37392	856150
(d) Stock of Trading Goods	88806359	64971790
(e) Stores, Spare Parts & Standard Items	662180	409017
TOTAL	250126109	220255135
NOTE NO. 14		
Trade Receivables		
(Unsecured, considered goods)		
(a) Outstanding for a period exceeding six months	97380210	75880845
(b) Others	93728282	84975412
TOTAL	191108493	160856257
NOTE NO. 15		
Cash & Cash Equivalents		
(a) Cash in hand	499726	311050
(b) Balances with banks		
(i) In current accounts	1399976	3561705
(ii) Unclaimed dividend	1354409	1542714
(c) Others		
Fixed Deposit Account	16094555	23682454
Accured interest on fixed deposits	334400	720179
Less: OD Limit from IDBI Bank Ltd.(against pledge of FDR)	-10790905	-8079152
TOTAL	8892161	21738951
NOTE NO. 16		
Short Term Loans & Advances :		
Unsecured, considered good		
(a) Loans and advances to related parties	18141357	19391357
(b) Deposits	1036075	1008023
(c) Loans and advances to employees	1332535	1041702
(d) Prepaid expenses	556038	250930
(e) Advance payment of Income Tax	4855190	5746752
Less: Provision for Income Tax	-5800000	-4500000
(f) Balance with government authorities		
(i) Cenvat credit receivable	3196673	1737327
(ii) Service Tax credit receivable	1522954	886994
(g) Others		
(i) Unsecured considered good	4578234	18894696
TOTAL	29419056	44457781



(Amount in ₹)

Particulars	Total 31.03.2016	Total 31.03.2015
NOTE NO. 17		
Revenue from Operations		
(a) Sales (Net of Sales Tax)	605061467	598453860
(b) Job Work & Commissioning Charges	7138509	5040393
TOTAL	612199976	603494253
NOTE NO. 18		
Other Income		
Dividend Received	406997	101020
Refund of Sales Tax	1761045	0
Profit on Sales of Fixed Assets	16518	65000
Profit on Sales of Investments	387507	0
Miscellaneous Income	3772508	2079488
TOTAL	6344575	2245508
NOTE NO. 19		
Cost of Material Consumed/Sold		
Opening Stock	164736984	122563092
Add : Purchases	390459998	393189026
	555196982	515752119
Less: Closing Stock	191346770	164736984
TOTAL	363850212	351015135
NOTE NO. 20		
Change in Inventory of Finished Goods and Work In Process		
Opening Stock	55109134	53044835
Less- Closing Stock	58117159	55109134
TOTAL	-3008025	-2064299
NOTE NO. 21		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus)	64216306	56497234
Welfare Expenses	813138	794226
Security Expenses	629102	600265
Contribution to E.S.I.C.	367676	435613
Contribution to P.F.	1156754	998439
Directors' Remuneration	6630000	5562000
Contribution to P.P.F	468000	381600
Bonus / Ex-gratia to Directors	468000	381600
TOTAL	74748976	65650977
NOTE NO. 22		
Manufacturing, Administration and Selling Overheads		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	409017	2060489
Add: Purchases	745650	639875
	1154667	2700364
Less : Closing Stock	662180	409017
Consumed during the year	492487	2291347
Component Processing Charges	20154651	27694420
Power Expenses	2302868	2240082
Repaid & Maintenance to : 1. Plant & Machinery	280146	232113
2. Building	605774	553156
Entry Tax	1848024	2928317
Excise Duty	49743438	47149028
Freight & Cartage inward	4149779	4231049
Material Shifting & Handling Charges	3028426	2745716
Manufacturing Expenses (Bettiah Project)	123388	56129
Other Manufacturing Expenses	1962107	995348
TOTAL (A)	84691087	91116704



(Amount in ₹)

Particulars	Total 31.03.2016	Total 31.03.2015
B. General & Administrative Overheads :		
Rent, Rates & Taxes	3009674	2815552
Charity & Donation	181076	121100
Computer Charges	641934	484499
Stationery & Printing	673794	521656
Telephones & Internet	1940939	1718698
Postage & Courier	206482	220857
Travelling & Conveyance	14396779	12154175
Legal & Professional Charges	4667655	6433225
Auditor's Remuneration	65000	60000
Insurance	290298	217775
Loss on Sale of Assets	16953	619
Other Expenses	2424219	2285344
TOTAL (B)	28514803	27033500
C. Selling & Distribution Expenses :		
Sales Promotion Expenses	1276215	1461016
Freight & Cartage outward	3516989	5242364
Sales Commission & Discount	1820369	2170043
Advertisement & Exhibition expenses	1687400	3399741
Bad Debts	1085188	898565
Late Delivery Charges	345983	88060
After Sales & Service Exps.	323440	963350
Other Expenses	246238	-34580
TOTAL (C)	10301820	14188558
GRAND TOTAL (A+B+C)	123507711	132338762
NOTE NO. 23		
Interest & Finance charges		
On Fixed Period Loans	5208344	4698921
Other Loans (Bank)	16462894	17530593
Interest to Others	232912	653221
Other Financial charges	2254083	2786618
TOTAL (A)	24158232	25669353
Less : Interest Received	2279196	2436394
TOTAL (B)	2279196	2436394
GRAND TOTAL (A-B)	21879036	23232960

NOTE NO. 24**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:****A. Accounting policies:**

Significant accounting policies are summarized below:

1. Accounting Convention:

The accounts have been prepared in accordance with the historical convention under accrual basis of accounting as per Indian GAAP. Accounts and disclosures thereon comply with the accounting standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of ICAI and Guidelines issued by SEBI as applicable.



2. Principles of Consolidation:

The Consolidated Financial Statement relates to ITL Industries Ltd (the Holding Company), and Subsidiary Company M.M. Metals Private Limited (89.58% stake wherein is held by ITL Industries Ltd.) and investment of the company in 2 Associates.

The consolidated financial statements have been prepared on the basis of AS-21 and AS-23, read with the following basic assumptions;

- a. The financial Statements of the Holding Company and its subsidiary Company have been combined on a line-by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.
- b. Investments of the Holding Company in the subsidiary is eliminated against respective proportionate stake of the Holding company therein on 31.03.2016.
- c. Investment in Associate Companies has been accounted for under the Equity method as per AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" whereby the investment is initially recorded at cost, identifying any Goodwill/ Capital Reserve arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post-acquisition change in the Company's share in net assets of the Associate Companies.
- d. The Consolidated financial statement is comprised of the Audited financial statements of the company, its subsidiaries and associates for the year ended 31.03.2016 which are as under :

Name of Company	Country of Incorporation	Subsidiary / Associate	Direct Holding %
M.M.Metals Pvt. Ltd.	India	Subsidiary	89.58%
Indore Tools Pvt. Ltd.	India	Associate	41.52%
Luhadiya Sons Shahpura Pvt. Ltd.	India	Associate	30.79%

- e. The Consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible , in the same manner as Holding company's separate financial statements unless stated otherwise.
- f. Minority interest, consisting equity attributable to them on 31.03.2016 has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of the Holding Company.

3. Notes on accounts:

i. Contingent Liabilities/Capital Contract;

- a. Commitment on Capital Account by Subsidiary Company: NONE
- b. The other contingent liabilities pertains to the Holding company and are enumerated along with the accounts of the Holding company.

- ii. Related party transactions of the subsidiary companies (AS-18) as enumerated are as under:

Name of Party	Relationship	Nature of Transaction	Amount in Rs.
ITL Industries Ltd	Holding Co.	Loan Taken	9926324/-

- iii. Information for segment wise details (AS- 17) and all other notes on accounts mentioned on the Holding company's accounts have been followed in entirety.

iv. Earning per share:

Net Profit After Tax	-	Rs.22000110/-
Less: Miscellaneous Expenditure	-	Rs. 139669/-
Net Profit	-	Rs. 21860441/-
No. of Shares		3254399
Earning Per Share		Rs.6.72



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra Ordinary Adjustments:	27547120	26146494
Depreciation for the year	10019522	9419733
Interest Paid	21879036	23232960
Operating Profit before working capital changes	<u>59445678</u>	<u>58799187</u>
ADJUSTMENT :		
Trade receivables	(30252236)	(8272165)
Inventories	(29870974)	(42586719)
Current Liabilities & Provision	12496207	33382400
Other Non-Current Assets (Unamortised Expenses)	(61045)	(56440)
Other Current Assets	12534180	2059304
Cash Generated from operation	<u>24291810</u>	<u>43325567</u>
Interest paid	(21879036)	(23232960)
Direct Tax paid (Net)	(6659322)	(4739734)
Cash Flow before extra ordinary adjustments	<u>(4246548)</u>	<u>15352873</u>
Extra Ordinary Items :		
Loss on Sale of Fixed Assets	16953	619
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>Total (A) :</u>	<u>15353492</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Net)	(11761227)	1211205
Investment made during the year	1063980	704878
Loss on Sale of Investments		0 0
NET CASH USED IN INVESTING ACTIVITIES	<u>Total (B) :</u>	<u>1916083</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital	0	0
Proceeds from long Term Borrowings (Net)	(9957841)	(1613567)
Proceeds from Short Term Borrowings	13965547	(11596617)
Dividend & Corporate Dividend Tax paid	(1927654)	(1921825)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>Total (C) :</u>	<u>(15132009)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENT	<u>Total (A+B+C)</u>	<u>0</u>
CASH AND CASH EQUIVALENT AS AT 01.04.2015 (Opening Balance)	21738951	19601385
CASH AND CASH EQUIVALENT AS AT 31.03.2016 (Closing Balance)	8892161	21738951

For Mahaveer M.Jain & Co.

For and On behalf of the Board

PLACE : INDORE
DATED : 30.05.2016(Mahaveer K.Jain)
Proprietor(Rajendra Singh Jain)
Managing Director
DIN : 00256515

**Form AOC-I**

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

1.	S.No.	:	1
2.	Name of the subsidiary	:	M/s M.M. Metals Pvt. Ltd.
3.	Reporting period for te subsidiary concerned, if different from the holding company's reporting period	:	01.04.2015 to 31.03.2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	Indian Rupees
5.	Share Capital	:	Paid up Share Capital - Rs. 24,00,000/-
6.	Reserves & surplus	:	Nil
7.	Total assets	:	Rs. 12341636/-
8.	Total Liabilities	:	Rs. 12341636/-
9.	Investments	:	Nil
10.	Turnover	:	Nil
11.	Profit before taxation	:	Nil
12.	Provision for taxation	:	Nil
13.	Profit after taxation	:	Nil
14.	Proposed Dividend	:	NA
15.	% of shareholding	:	89.58%

Notes : The following information shall be furnished at the end of the statement :

- Names of subsidiaries which are yet to commence operation - M/s M.M. Metals Pvt. Ltd.
- Name of subsidiaries which have been liquidated or sold during the year - NA

Part "B": Associates and Joint Ventures**Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates / Joint Ventures	Indore Tools Pvt. Ltd.	Luhadiya Sons Shahpura Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	356416	294690
Amount of Investment in Associates/Joint Ventures	3761885	5304420
Extend of Holding %	41.52%	30.797
3. Description of how there is significant influence	Holding more than 20%	Holding more than 20%
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 4336326/-	Rs. 2968339/-
6. Profit / Loss for the year		
i. Considered in Consolidation (PAT)	Rs. 2150967/-	Rs. 240743/-
ii. Not Considered in Consolidation	NA	NA

- Names of associates or joint ventures which are yet to commence operations. NA
- Names of associates or joint ventures which have been liquidated or sold during the year. NA

In terms of our report attached. For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS
 Reg. No. : 001749C

Rajendra Singh Jain
 Managing Director
 DIN : 00256515

Mahendra Singh Jain
 Joint Managing Director
 DIN : 00256047

(Mahaveer K. Jain)
 Proprietor
 No. :070966

Ashok Ajmera
 Chief Financial Officer

Akhilesh Gautam
 Company Secretary
 FCS : 8592

DATED : 30/05/2016
PLACE : INDORE



ITL INDUSTRIES LIMITED
 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) - 452015
ATTENDANCE SLIP
 (To be presented at the entrance of the Meeting Hall)
 28th Annual General Meeting on September 30,2016 at 11.30 A.M.

Folio No. / DP ID No. / Client Id No. _____
 Name of the Member _____ Signature _____
 Name of the Proxy _____ Signature _____

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

ITL INDUSTRIES LIMITED
 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) - 452015
PROXY FORM
 (Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the Member (s) _____
 Registered Address _____
 Email ID _____
 Folio No./DPID No. Client ID No. _____

I/We _____ being a Member / Members of ITL INDUSTRIES LIMITED hereby appoint

1. Name _____
 Address _____
 Email ID. _____ Signature _____
 (or failing him / her) _____
2. Name _____
 Address _____
 Email ID. _____ Signature _____
 (or failing him / her) _____
3. Name _____
 Address _____
 Email ID. _____ Signature _____
 (or failing him / her) _____

as my / our Proxy in my/our absence to attend and vote for me/us and on my / our behalf at the 28th Annual General Meeting of the Company to be held on 30th September, 2016 at 11.30 a.m. at the Registered Office of the Company, 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) – 452015. And at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

Resolution No.	Resolutions
1.	To receive, consider and adopt the Audited Financial Statement of the company for the year ended 31st March, 2016 and together with the report of the Directors and the Auditor's Report thereon.
2.	To declare dividend on Equity Shares for the year ended on 31st, March 2016.
3.	To elect a Director in place of Mr. Manohor Singh Jain (DIN : 00256131), who retire by rotation and being eligible, offers himself for re-appointment.
4.	To ratify of the Appointment of Auditors.

Rs. 1/-
Revenue
Stamp

Signed this _____ day of _____ 2016.

Signature of Shareholder _____ Signature of Proxy Holder(s) _____

Notes :

- (1) This form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) Those Members who have multiple folios with different joint-holders may use copies of this attendance slip/proxy

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ITL Industries Ltd. (a BSE Listed Company)

111, Sector "B" Sanwer Road, Industrial Area, Indore - 452015 (M.P.) INDIA
Phone No : +91 731 3044400-409, Fax : +91 731-2721110, Sales +91 731-3044419
Email : info@itl.co.in Website : www.itl.co.in