

ITL Industries Ltd.

ITL/BSE/2020-21/38

September 25, 2020

To,
The Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
Online Filing at:- listing.bseindia.com
Email :- corp.relations@bseindia.com
FAX :- 022 22723121, 22722039, 2272041

Sub. : Submission of the approved and adopted copy of the Annual Report for the Financial Year 2019-20 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Scrip Code - 522183.

Dear Sir,

In Compliance of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Please find attached herewith Annual Report of the Company for the Financial Year 2019-20, duly approved and adopted by the members of the Company at the 32nd Annual General Meeting (AGM) held on Thursday, September 24th, 2020 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") for which purpose the registered office of the company shall be deemed as the venue of the meeting.

The Annual Report is also displayed on website of the Company www.itl.co.in.

This is for your information and record purpose.

Thanking You,

Yours faithfully,
For **ITL Industries Limited**


Akhilesh Gautam
Company Secretary
Encl:-a/a



ITL Industries Ltd.



Technology with Time...

32ND

ANNUAL REPORT 2019-2020



MESSAGE TO THE MEMBERS

Dear Shareholders,

Global economy :

It has been several months since the pandemic engulfed the world and yet there is a lot of uncertainty with respect to the extent of the economic contraction due to this crisis, and the subsequent pace of recovery. This year will see an economic contraction, but this 2020 recession is turning out very different from the past recessions. It has been too sudden – almost off the cliff; its spread has been all encompassing – affecting almost every economy and sector, and the plunge in economic activity levels and employment has been unprecedented. On the positive side, this recession is likely to be one of the shortest, assuming no second wave of the pandemic recurs. Around \$9-trillion stimulus from different governments globally will help to support this recovery, along with the monetary actions by Central banks. These policies will also help to restrict the second-order effects like defaults and bankruptcies. Some scars of the crisis will remain in the form of subdued consumer and business confidence. The International Monetary Fund (IMF) and other agencies are predicting that it could take about 5-6 quarters for global GDP to inch back to pre-crisis levels, and the global economic trajectory thereafter will be below the Pre-COVID trajectory for the next few years. As the world emerges from the current crisis, the next few years are likely to be marked by lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalization and political uncertainty; and increased dependence of financial systems on ultra loose monetary policy conditions. We will also have to watch out for potential Post-COVID changes in consumer behavior (such as more virtual engagements) and of operating models of organizations (such as work-from home norms, diversification of supply chain risks, more use of e-commerce).

Indian economy :

COVID-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system. Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY20 and remained active to varying degrees in different geographies through most of the Q1 of FY21. It is estimated that about 80% of India's GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained. Correspondingly, India's GDP is likely to contract in FY21, which would be the first such instance in over four decades. The contraction is estimated to be particularly severe during Q1. Responding to this challenge, both the Reserve Bank of India (RBI) and Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. Government has initiated some remarkable reforms in agriculture, mining and public sector enterprises. Such pragmatic policies – along with the ambitious National Infrastructure Pipeline program that the Government had announced in December 2019 – will support India's medium-term growth rebound. In the interim, however, the Indian economy – like the global economy – will need to navigate through some difficult quarters.

Performance of your Company :

The year ended March 2020 was a good year for your company. The Company during the year recorded a turnover of Rs. 8023.74 Lacs in 2019-20 as against Rs. 10242.22 Lacs in 2018-19 with a net profit after tax at Rs. 414.13 lacs as against Rs. 671.48 Lacs. We remain confident that your company will also perform well during the current year too.

New Developments :

New development includes NC Metal Cutting Bandsaw Machines as well as large capacity Carbide Circular Sawing Machines are at final stage of trials. We hope to get good market in domestic and export market. Pipe and Tube division has developed state of the art, very economical and highly reliable "On Line Burr Free Fly Cutoff" for conventional tube/pipe mills. Import substitute development of custom built machines is progressing well and hope to do more in this segment. Stainless Steel Pipe/Tube Manufacturing equipment market is expected to grow rapidly, accordingly 4 new models are being developed for domestic market.

The domestic demand for company's products is expected to remain better. 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 Jain

Managing Director

DIN - 00256515

ITL INDUSTRIES LIMITED**DIRECTORS**

Manohar Singh Jain	- Non-Executive Director
Rajendra Jain	- Managing Director
Mahendra Jain	- Joint Managing Director
N.Chakraborty	- Non-Executive & Independent Director
Rajesh Jain	- Non-Executive & Independent Director
Dr.Pratima Jain	- Non-Executive & Independent Director

CHIEF FINANCIAL OFFICER - Ashok Ajmera

COMPANY SECRETARY - Akhilesh Gautam

AUDITORS

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

REGISTERED OFFICE & WORKS

111, Sector-B, Sanwer Road, Industrial Area,
INDORE-452015 (M.P.)
Phone No. : - 0731 7104400

BANKERS

State Bank of India
Industrial Finance Branch,
SME Khel Prashal, IInd Floor, 5, Y.N. 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

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NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Members of ITL Industries Limited will be held on Thursday, the 24th day of September, 2020 at 11.30 A.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) for which purpose the registered office of the company shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

Ordinary Business:-

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2020 and together with the report of the Directors and Auditor’s Report thereon.
2. To declare dividend on Equity Shares for the year ended on 31st, March 2020.
3. To elect a Director in place of Mr. Manohar Singh Jain (DIN: 00256131), who retire by rotation and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED that Mr. Manohar Singh Jain (DIN: 00256131), who retires by rotation, be and is hereby re-appointed as the Director of the company whose term of office shall be determined by retirement of directors by rotation and further considering the fact that Mr. Manohar Singh Jain (DIN: 00256131) age being above 75 years, pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders be and is hereby provided for Mr. Manohar Singh Jain (DIN: 00256131) to continue as Director upon appointment, until the expiry of his term of office as Director of the Company as per provisions of the Companies Act, 2013.”

Special Business:-

Special Resolution

4. **To consider and approve payment of Remuneration of Mr. N. Chakarborty (DIN 00443524) Non Executive & Independent Director in excess of the limits prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in this regard, pass the following resolution as Special Resolution:**

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

“RESOLVED THAT in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval be and is hereby accorded for payment of remuneration to Mr. N. Chakarborty (DIN 00443524) Non Executive & Independent Director of the Company, details whereof are set out in the Explanatory Statement, being in excess of fifty percent of the total annual remuneration payable to all Non-Executive Directors.

5. **To consider and approve proposed remuneration of Mr. Rajendra Jain (DIN - 00256515), Managing Director of the Company:**

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

“RESOLVED THAT pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations, 2015’) and other applicable regulations, and subject to the maximum remuneration approved by the members at the 30th Annual General Meeting held on 27th September, 2018, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Rajendra Jain (DIN - 00256515), Managing Director of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. 1st April, 2019 for the remaining tenure of his appointment i.e., upto January 31st, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

6. **To consider and approve proposed remuneration of Mr. Mahendra Jain (DIN - 00256047), Joint Managing Director of the Company:**

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

“RESOLVED THAT pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations, 2015’) and other applicable regulations, and subject to the maximum remuneration approved by the members at the 30th Annual General Meeting held on

27th September, 2018, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Mahendra Jain (DIN - 00256047), Joint Managing Director of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. 1st April, 2019 for the remaining tenure of his appointment i.e., upto January 31st, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

For and on behalf of the Board

Rajendra Jain

Managing Director

DIN: 00256515

Place : Indore

Dated : 12/08/2020

NOTES

01. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
02. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular no 20/2020 dated May 5, 2020 read with circular no 14/2020 dated April 8, 2020 and circular no 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).
03. The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. Electronic copy of the Annual Report for the FY 2019-20 is being sent to all the members whose email ID’s are registered with the Company/Depository Participants Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.
04. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
05. Corporate Members whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their mail Id: - cs@itl.co.in, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through Remote E-voting.
06. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
07. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
08. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Friday, September 18, 2020 to Thursday, September 24, 2020, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
09. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Annual Report 2019-20 will also be available on the Company’s website www.itl.co.in, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing the Remote e-Voting facility) <https://www.evoting.nsdl.com>.

10. The dividend on Equity Shares, if declared at the AGM, will be payable on or after Monday, September 28, 2020 to those members whose names appear as Members in the Register of Members of the Company on Friday, September 18, 2020 in respect of the shares held in electronic form, the dividend will be paid on the basis of Beneficial Ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
11. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
12. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
13. Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.
14. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.
15. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
16. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
17. Members are advised to claim their unpaid dividend for the year 2012-13 to 2018-19 if any, the Company is having unpaid dividend of Rs. 8.51 lacs for the year 2012-13 to 2018-19. Attention of the members of the Company are drawn towards the provisions of section 124(6) which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) shall also be transferred by the company in the name of IEPF. Therefore in the interest of the members it is advised to take appropriate action to encase the unpaid dividend and update their bank particulars through the respective DP's. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz www.itl.co.in.
18. Dividend for the financial year ended March 31st, 2013, 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 20th, 2020. Members who have not yet encashed their dividend warrants for the financial year ended March 31st 2013 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
19. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
20. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 29th Annual General Meeting, held on 28th September, 2017.
21. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to Notice as . The Directors have furnished the requisite declarations for their appointment/re-appointment.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
23. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
24. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Ankit Consultancy Private Limited for assistance in this regard.

25. As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to Ankit consultancy Pvt. Ltd. (RTA)/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant. The Company or Registrars and Transfer Agents, Ankit Consultancy Private Limited cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.
26. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
28. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office and at Company's office at 111, Sector – B, Sanwer Road, Industrial Area, Indore-452015 (M.P.) on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 2.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.
29. 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.).
30. 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 Certificate's to enable the Company to consolidate their holding in one folio.

31. 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 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.

The remote e-voting period commences on 21st September, 2020 (9:00 am) and ends on 23rd September, 2020 (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 17th September, 2020, 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:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@itl.co.in or ankit_4321@yahoo.com.
 - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@itl.co.in or ankit_4321@yahoo.com.
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 4. Now, you will have to click on "Login" button.
 5. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rajuchandrapal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE ANNUAL GENERAL MEETING ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions For Members For Attending The AGM Through VC/OAVM Are As Under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@itl.co.in, at least 3 days prior to Annual General Meeting.
6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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.

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).

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 17th September, 2020.

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. 17th September, 2020, 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.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

Mr. Raju Chandra Pal, Practicing Company Secretary (Membership No. FCS 9927) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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.

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 Scrutinizers' report shall be placed on the Company's website: www.itl.co.in and website of NSDL.

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.

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.

The remote e-voting period commences on 21st September, 2020 (9:00 am) and ends on 23rd September, 2020 (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 17th September, 2020, 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.

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
Rajendra Jain
Managing Director
DIN: 00256515

Place : Indore
Dated : 12/08/2020

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act.

ITEM NO. 3

Mr. Manohar Singh Jain (DIN: 00256131), Director, aged above 75 years, retires by rotation, in the ensuing, 32nd AGM and being eligible, offers himself for re-appointment. Pursuant to the Provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 on May 9, 2018. The Regulation 17 (1A) of the Amendment Regulations, inter-alia, prescribes that listed entity shall not appoint a person or continue directorship of any person(s) as a Non-Executive Director(s) who has attained the age of 75 years, unless a special resolution is passed to this effect.

In order to retain his services backed by his rich experience in various fields, the Board of the company recommends shareholders approval by way of special resolution.

Last Drawn Remuneration : Nil

The re-appointment of the above Director shall be in the interest of the Company. Your Board of Director therefore recommend the resolution set out at item No.3 of the notice for your approval.

Besides the individual interest of the above Director, Shri Rajendra Jain, Managing Director of the Company is also interested in the concerned resolution of Shri Manohar Singh Jain being relative of each other.

Save and except as above, none of the Directors of the Company is in any way, concerned or interested in the said resolution.

ITEM NO. 4

Mr. N. Chakarborty (DIN 00443524) was appointed as the Non Executive & Independent Director by the Members of the Company at the AGM held on September 27th, 2014 to hold office from April 1, 2014 to March 31, 2019. Further, at AGM held on September 25th, 2019 he was re-appointed as Non Executive & Independent Director for the period April 1, 2019 to March 31, 2024

Mr. N. Chakarborty in the capacity of Non-Executive Director will be entitled to sitting fee as detailed below, subject to the overall limits prescribed under the provision of the Companies Act and SEBI Listing Regulations:

Sitting Fee – Rs. 60000/- Per Board or Committee Meeting (within the limits under the provisions of Companies Act, 2013) and there is no change in per meeting sitting fee from previous year.

Its regulatory amendment in the Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 effective from April 1, 2019, requires companies to obtain approval of the shareholders by passing of a special resolution for payment of remuneration to Non-Executive Director exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors. Accordingly, Shareholders approval is sought for payment of remuneration to Mr. N. Chakarborty, Non-Executive Director for the period from April 01, 2019 till March 31, 2021.

It may also be mentioned that none of the other Directors (other than Mr. N. Chakarborty) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the Special Resolution.

ITEM NO. 5 & 6

The Securities and Exchange Board of India ('SEBI') has amended certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'). Pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from 1st April, 2019, approval of the members by way of special resolution in general meeting shall be required, if the annual remuneration payable to Executive Directors, who are promoters or members of the promoter group, is in excess of the limits prescribed there under i.e. (i) where there is one such Director, Rs. 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, 5 per cent of the net profits of the listed entity.

It is further prescribed that such approval once obtained shall be valid till the expiry of the term of the respective Executive Director's. The members of the Company had at their previous Annual General Meetings ('AGM') approved the maximum remuneration payable to the respective Executive Promoter Directors, as per the limits mentioned below

The terms of remuneration payable to Shri Rajendra Jain, Managing Director are set out below:

(1) Salary band of Rs. 2,50,000/- to Rs. 4,00,000/- per month.

(2) Perquisites :

a) Perquisites shall be restricted to an amount equal to the annual salary.

Category-A

I) Housing

a) The expenses incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.

b) In case of accommodation owned by the Company 10% of the salary shall be deducted by the Company.

c) In case of no accommodation is owned by the Company, the said Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing(a).

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income - Tax Rules 1962, subject to ceiling of 10% of the salary.

ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year of three months' salary over a period of three years.

iii) Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred, in accordance with the Rules of the Company.

Explanation :

Family means the spouse, the dependent children and dependent parents.

iv) Club Fees:

Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.

v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium not exceeding Rs. 3000/- per month.

Category - B**a) Company's contribution towards Provident Fund / Public Provident Fund :**

Company's contribution towards Provident Fund / Public Provident Fund @ 12% or as per the Rules of the Company.

b) Gratuity:

Gratuity as per the rules of the Company, but shall not exceed half-a-month's salary for each completed year of service.

c) Company's contribution towards Superannuation fund:

Company's contribution towards Superannuation Fund as per the rules of at the Company but it shall not together with Company's contribution to Provident Fund/ Public Provident Fund, exceed 25% of the salary.

The aforesaid perquisites stated in Category-B (a),(b) and (c) will not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or per together are not taxable under the Income-Tax Act, 1961.

d) Earned Leave:

On full pay allowance and perquisites as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the aforesaid ceiling on perquisites and or salary.

Category - C**Company Car and Telephone at Residence**

Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

The terms of remuneration payable to Shri Mahendra Jain, are set out below:

(1) Salary band of Rs. 2,30,000/- to Rs. 4,00,000/- per month.

(2) Perquisites :

a) Perquisites shall be restricted to an amount equal to the annual salary.

Category-A**i) Housing**

- a) The expenses incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.
- b) In case of accommodation owned by the Company 10% of the salary shall be deducted by the Company.
- c) In case of no accommodation is owned by the Company, the said Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing(a).

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income - Tax Rules 1962, subject to ceiling of 10% of the salary.

ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year of three months salary over a period of three years.

iii) Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred, in accordance with the Rules of the Company.

Explanation :

Family means the spouse, the dependent children and dependent parents.

iv) Club Fees:

Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.

v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium not exceeding Rs. 3000/- per month.

Category - B**a) Company's contribution towards Provident Fund / Public Provident Fund :**

Company's contribution towards Provident Fund / Public Provident Fund @ 12% or as per the Rules of the Company.

b) Gratuity:

Gratuity as per the rules of the Company, but shall not exceed half-a-month's salary for each completed year of service.

c) Company's contribution towards Superannuation fund:

Company's contribution towards Superannuation Fund as per the rules of at the Company but it shall not together with Company's contribution to Provident Fund / Public Provident Fund, exceed 25% of the salary.

The aforesaid perquisites stated in Category-B (a),(b) and (c) will not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or per together are not taxable under the Income-Tax Act, 1961.

d) Earned Leave:

On full pay allowance and perquisites as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the aforesaid ceiling on perquisites and or salary.

Category - C**Company Car and Telephone at Residence**

Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

Further, the managerial remuneration payable shall be within the overall ceiling stipulated under the Companies Act, 2013. Though the remuneration payable to the Executive Directors shall remain within the limits already approved by the members at their 30th AGMs, the same may exceed the ceilings newly prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations, 2015 and hence require approval of the members by way of special resolution. The Board of Directors recommends the resolution at Item Nos. 5 & 6 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Rajendra Jain & Mr. Mahendra Jain and their relatives, has any concern or interest, financial or otherwise, in the resolution at Item Nos. 5 & 6 of this Notice.

Additional information on director recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**DETAILS OF THE DIRECTORS SEEKING
RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**

Name of Director	Shri Manohar Singh Jain	Shri N. Chakraborty
Category	Non-Executive Director	Independent and Non-Executive Director
Inter relationship	Father of Shri Rajendra Jain, Managing Director of the Company	Not related
Date of Birth	23 rd November, 1929	24 th October, 1943
Date of Appointment	25 th January, 1989	1 st May, 1999
Qualification	Visharad	B.Com. & L.L.B.
Expertise in specific Functional areas	Wide experience in Business and promoter Director	Wide experience in the field of Machine Tools Industries
List of other Public Companies in which Directorships held	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL	1. Audit Committee- Chairman 2. Shareholders' / Investors' Grievance Committee - Chairman
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL	NIL
Shareholdings in the Company	75100	NIL
Name of Director	Shri Rajendra Jain	Shri Mahendra Jain
Category	Executive Director	Executive Director
Inter relationship	Son of Shri Manohar Singh Jain	Non-related
Date of Birth	20 th April, 1954	19 th October, 1957
Date of Appointment	1 st February, 1993	1 st February, 1993
Qualification	B.E. (Mech.), Hon. Ph.D.	M.Com, PGDBM
Expertise in specific Functional areas	Mr. Rajendra Jain is B.E. (Mech.) Hon. Ph.D., and is having 43 years of rich experience in the Engineering Industry. He has thorough practical knowledge in this Industry and his contribution in the development of this sector especially in the segment of indigenous manufacture of Metal Cutting Machines viz. Bandsaw, Circular Saw Machines is significant. ITL Industries is growing at a good pace under his rich experience and able leadership. Mr. Jain is very innovative and is always keen to adopt latest technologies and has contributed a lot in the growth of the Company.	Mr. Mahendra Jain is a post graduate in Commerce and has done PGDBM. He is ex-banker also and has rich experience of about 38 years in this Industry. He has thorough knowledge in the field of Finance and administration
List of other Public Companies in which Directorships held	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL	NIL
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee	NIL	NIL
Shareholdings in the Company	369900	251113

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 32nd Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2020.

01. FINANCIAL RESULTS :**(Amount in Lacs)**

	Particulars	Financial year ended 31.03.2020	Financial year ended 31.03.2019
a)	Sales & Other Income	8023.40	10242.22
b)	Profit before interest, Depreciation & Tax	872.06	1066.29
c)	Less : - Interest and Finance Charges	145.15	104.76
	- Depreciation	118.30	128.96
d)	Profit before Tax	608.61	832.56
e)	Less : Provision for Tax Current year	150.00	200.00
f)	Less : Deferred Tax Liabilities	-5.26	-28.41
g)	Less : Income Tax earlier year	-3.67	-3.98
h)	Profit after Tax	467.54	664.95
i)	Profit brought forward from previous year	162.07	35.75
j)	Profit available for appropriations	629.61	700.70
k)	Transferred to General Reserve	200.00	500.00
l)	Proposed Dividend	16.02	32.04
m)	Provision for Dividend Distribution Tax	3.29	6.59
n)	Balance carried to Balance Sheet	410.30	162.07

02. DIVIDEND :

Your Directors are pleased to recommend Dividend at the rate of Rs. 0.50 Per share (previous year Rs.1.00 per share) for the year ended 31st March, 2020 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 decreased from Rs. 10242.22 Lacs to Rs. 8023.40 Lacs showing a downfall of 21.66% & profit after Tax of the Company for the year under review has decreased from Rs. 664.95 lacs to Rs. 467.54 Lacs showing a downfall of 29.69%.

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, 2020, 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 judgment 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, 2020 and of the profit of the Company for the year 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

08. AUDITORS :

- STATUTORY AUDITORS

The Auditors M/s Mahendra Badjatya & Co. Chartered Accountants, (ICAI FRN 001457C) have been appointed as statutory auditors of the company at the Annual General Meeting held on 28.09.2017 for a period of five years, subject to ratification by members at every consequent Annual General Meeting. The ratification of appointment of statutory auditor is not required as per the first proviso of Section 139 (1) by the Companies (Amendment) Act, 2017 effective from 7th May 2018 accordingly the ratification of appointment of statutory auditor is not proposed. There is no audit qualification, reservation or adverse remark for the year under review.

- 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 Mr. Raju Chandra Pal, Practicing Company Secretary (CP No.:14771 & FCS:9927), to undertake the secretarial audit of the company. The Secretarial Audit Report is given in the "Annexure – C" forming part of this report.

- INTERNAL AUDITORS

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

09. TRANSFER OF SHARES AND DIVIDEND AMOUNT TO IEPF:

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs, the unclaimed and unpaid dividends amount for the year 2012-13 is required to be transferred to IEPF in the due date as specified in the Notice of the AGM and shares of the respective shares on which no dividend is claimed for a consecutive 7 years will also be transferred to IEPF Authority as per the requirement of the IEPF rules on due date. During the financial year 2019-20, The Company has Transfer 8946 (Eight Thousands Nine Hundred Forty Six) Equity Shares to Investors Education and Protection Fund (IEPF) related to the concerned shareholders have not claimed dividend for a period of 7 consecutive years.

10. SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2020 was Rs. 3,20,43,000 divided into 3204300 equity shares of Rs. 10/- each. There has been no change in the capital structure of Company during the year under review.

11. 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-A" forming part of this report.

12. INDUSTRIAL RELATIONS :

Industrial relations of the Company remained cordial during the year.

13. SUBSIDIARY COMPANY:

M/s. M.M. Metals Pvt. Ltd. is subsidiary of your Company. Pursuant to the provisions of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of your Company which is forming part of this Annual Report. Further, a Statement containing salient features of financial information of the Subsidiary Company/Associate Company is disclosed in the prescribed format AOC-1, pursuant to Provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed to this Report "Annexure-E." The Statement also provides details of performance and financial position of each of the Companies.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements, the Consolidated Financial Statements and the related information of the Company and the Audited Accounts of the Subsidiaries Company, is available on our website i.e. www.itl.co.in. These documents shall also be available for inspection during the business, i.e. between 9.30 A.M. to 5.00 P.M. on all working days at the Registered Office of the Company.

14. 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. "Annexure-F" attached to this Report.

There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

During the year under review, your Company having profit before tax of Rs. 608.61 Crores and as per provisions of Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred Crore or more or turnover of rupees one thousand crore or more or a net Profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors out of which at least one director shall be an independent director;

Accordingly Board has constituted Corporate Social Responsibility Committee in its meeting held on 13 August, 2018 comprising following members:-

1. Shri Rajendra Jain - Chairman
2. Shri Mahendra Jain - Member
3. Dr. Pratima Jain - Member

The role of the committee is to formulate and recommend a CSR policy to the Board, to recommend expenditure to be incurred on CSR activities, to monitor The CSR Policy of the Company From time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

Further expenses towards CSR activities will be done in current financial year and will be review time to time.

The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The Company's CSR policy is available on the Company's website at www.itl.co.in The Company's CSR activities have traditionally focused on education, skill development, health, environment and promoting sustainable practice. Annual Report on CSR activates is annexed herewith as "Annexure-D".

16. 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 under there, 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) & 5 (2) of the Companies (appointment and remuneration) Rule 2014 are not applicable.

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

Pursuant to Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, a spate titled "Report on Corporate Governance and Management Discussion and Analysis" forms part of this Annual Report.

Certificate confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, also forms parts of this Annual Report.

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

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no protected disclosure concerning any

reportable matter in accordance with the Vigil mechanism and Whistle Blower policy of the Company was received by the Company.

The Whistle Blower Policy has been posted on the website of the company www.itl.co.in.

19. 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.

20. 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.

21. 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 disclosed on the Company's website i.e. www.itl.co.in.

22. SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION PROHIBITION & REDRESSAL) ACT, 2013 :

The Company has in place and 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.

23. 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's 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.

24. 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-B" forming part of this report.

25. 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's of associates on equity method as prepared in compliance with the accounting standards and listing agreement.

26. ACKNOWLEDGEMENT:

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
Dated: 12/08/2020

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra 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 Company has its own in-house R&D centre which is recognised by DSIR. The team is continuously striving for new developments, upgradation and improvement in existing design and process. The Research & Development activities resulted in the development of new range of products of the Company and technological upgradation of existing products and processes 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. Helps in meeting the market competition (both indigenous and foreign).

3. Future plan on R & D

To develop special purpose Machines/ Plants and technological upgradation of existing products and processes.

4. Expenditure on R & D:

Particulars	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2017-18
Capital	Rs. 2.84 Lacs	Rs.2.44 Lacs	Rs.18.21 Lacs
Recurring	Rs. 284.32 Lacs	Rs. 290.41 Lacs	Rs.251.12 Lacs
Total	Rs. 287.16 Lacs	Rs. 292.85 Lacs	Rs.269.33 Lacs
Total R & D expenditures as a Percentage of total turnover	3.62%	2.88%	3.24%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards Technology Absorption
2. Benefits derived as a result of efforts, e.g. product improvement, Cost reduction, product development, import substitution etc.
3.
 - A. Technology imported
 - B. Year of Import
 - C. Has technology been fully absorbed
 - D. If no fully absorbed areas where this has not taken place reasons thereof and future plans of action.

Technology developed by R & D Department is fully absorbed for manufacturing of special purpose Machine. Import substitution in the areas of special purpose machinery resulting in cost reduction, reduction in imports, increase in exports, resulting in conservation of Foreign Exchange.

NIL

Not Applicable

N.A.

Not Applicable

C. CONSERVATION OF ENERGY :

- a. Energy Conservation Measures taken
- b. Additional investments and proposals if any, being, implemented for reduction of consumption of energy.
- c. Impact of the measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods.
- 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.

The Company has no major scope for conservation of energy.
NIL

NIL

Not Applicable

D. FOREIGN EXCHANGE EARNING AND OUT GO :

The information of Foreign Exchange Earnings and out go is given in item No. 11 in Note no. 27(B) - Notes to the Financial statements.

For and On behalf of the Board

Place : Indore
Date : 12/08/2020

Rajendra Jain
Managing Director
DIN:00256515

Mahendra 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, 2020[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 & cutting tools Manufacturing	2822	69.66%
2	Trading of Hydraulics etc.	2822	30.34%

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	52.55%	2(87)
2.	Luhadiya Sons Private Limited 144 Shanti Niketan Colony Near Bombay Hospital Indore-452001	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 (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1277217	NIL	1277217	39.86	1310117	NIL	1310117	40.89	0.00

b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	131100	NIL	131100	4.09	131100	NIL	131100	4.09	0.00
e) Banks / FI									
f) Any Other									
Sub total (A)(1) :-	1408317	NIL	1408317	43.95	1441217	NIL	1441217	44.98	0.00
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI						NIL			
k) Any Other....									
Sub-total (A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)						NIL			
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	1750	NIL	1750	0.05	NIL	NIL	NIL	NIL	0.05
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non Institutions									
a) Bodies Corp. (I) Indian (ii) Overseas	203169	800	203969	6.37	170826	800	171626	5.36	-1.01
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	950148	146725	1096873	34.23	960605	130625	1091230	34.06	-0.17
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	359780	NIL	359780	11.23	384513	NIL	384513	12.00	0.77
c) Others(Specify) NRI & OCB	133278	NIL	133278	4.16	112270	NIL	112270	3.50	-0.66
CLEARING MEMBER	2083	NIL	2083	0.07	3444	NIL	3444	0.11	0.04
Sub-total (B)(2)	1648458	147525	1795983	56.05	1631658	131425	1763083	55.02	-1.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1648458	147525	1795983	56.05	1631658	131425	1763083	55.02	-1.03

C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3056775	147525	3204300	100.00	3072875	131425	3204300	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	11.34	NIL	369900	11.54	NIL	0.27
2.	Mr. Mahendra Jain	242713	7.57	NIL	251113	7.84	NIL	0.56
3.	M/s Remswags Marketing Private Limited	131100	4.09	NIL	131100	4.09	NIL	0.00
4.	Mrs. Rekha Jain	131013	4.09	NIL	131013	4.09	NIL	0.00
5.	Mr. Ravish Jain	94150	2.94	NIL	94150	2.94	NIL	0.00
6.	Mr. Shekhar Jain	92885	2.90	NIL	92885	2.90	NIL	0.00
7.	Mrs. Meena Jain	87251	2.72	NIL	87251	2.72	NIL	0.00
8.	Mr. Prakhar Jain	82601	2.58	NIL	82601	2.58	NIL	0.00
9.	Mr. Manish Jain	75850	2.37	NIL	93850	2.93	NIL	0.20
10.	Mr. Manohar Singh Jain	75100	2.34	NIL	75100	2.34	NIL	0.00
11.	Mrs. Namrata Jain	5933	0.19	NIL	5933	0.19	NIL	0.00
12.	Mrs. Renu Bai Doshi	10000	0.31	NIL	10000	0.31	NIL	0.00
13.	Mrs. Rekha Jain	10000	0.31	NIL	10000	0.31	NIL	0.00
14.	Mrs. Nidhi Jain	5321	0.17	NIL	5321	0.17	NIL	0.00
15.	Mr. Harsh Jain	1000	0.03	NIL	1000	0.03	NIL	0.00
	Total	1408317	43.95		1441217	44.98		1.03

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

Sr. No.	Particulars	Name of Promoters	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Rajendra Jain	01.04.2019	363400	11.34	363400	11.34
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		18.11.2019 20.03.2020	4000 2500	0.13 0.07	367400 369900	11.47 11.54
	At the end of the year		31.03.2020			369900	11.54

2	At the beginning of the year	Mahendra Jain	01.04.2019	242713	7.57	242713	7.57
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		09.12.2019	2000	0.06	244713	7.63
			18.02.2020	1800	0.05	246513	7.68
			12.03.2020	600	0.02	247113	7.70
			16.03.2020	4000	0.13	251113	7.84
	At the end of the year		31.03.2020			251113	7.84
3	At the beginning of the year	Manish Jain	01.04.2019	75850	2.37	75850	2.37
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		18.11.2019	6000	0.19	81850	2.56
			19.11.2019	1200	0.38	93850	2.94
	At the end of the year		31.03.2020			93850	2.94

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.	ANSHUL SAIGAL	87386	2.73	36903	1.15
2.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	103166	3.22	111712	3.49
3.	PUSHPA SHARMA	60000	1.87	60000	1.87
4.	DINESH KUMAR JAIN	58000	1.81	58000	1.81
6.	UTTAM SINGH	43022	1.34	44822	1.40
7.	SANGEETHA S	27360	0.85	27360	0.85
8.	MANGLA SHANTILAL GADA	31750	0.99	36201	1.13
9.	ANIN NANDANAN	22495	0.70	22495	0.70
10.	FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED	18262	0.57	18262	0.57
13.	CENTRUM BROKING LIMITED – CLIENT ACCOUNT	38900	1.21	0	0.00
14.	JADHAV K B	27126	0.85	27126	0.85
15.	NINJA SECURITIES PRIVATE LIMITED.	4882	0.15	18415	0.57

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	11.34	369900	11.84
2.	Mr. Mahendra Jain	242713	7.57	251113	7.84
3.	Mr. Manohar Singh Jain	75100	2.34	75100	2.34
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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01/04/2019)				
i) Principal Amount	1447.76	39.92	—	1487.68
ii) Interest due but not paid	--	--	--	—
iii) Interest accrued but not due	--	--	--	—
Total (i+ii+iii)	1447.76	39.92	—	1487.68
Change in Indebtedness during the financial year				
- Addition	210.00	-	--	20.00
- Reduction	-150.77	-0.22	--	-150.99
Net Change	59.23	-0.22	--	59.01
Indebtedness at the end of the financial year (31/03/2020)				
I) Principal Amount	1506.99	39.70	--	1546.69
ii) Interest due but not paid	--	—	—	—
iii) Interest accrued but not due	--	—	—	—
Total (i+ii+iii)	1506.99	39.70		1546.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lacs)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajendra Jain (Managing Director)	Mr. Mahendra Jain (Joint Managing Director)	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.44	44.56	93.00
(b)	Value of bonus & perquisites u/s 17(2) Income-tax Act, 1961	7.75	7.13	14.88
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
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)	56.19	51.69	107.88
	Ceiling as per the Act	Remuneration paid within the Ceiling Limit as prescribed in the Companies Act 2013		

B. Remuneration to other directors

(₹ in Lacs)

S. No.	Particulars of Remuneration	Name of Other Directors			Total Amount
		Mr. N. Chakraborty	Dr. Pratima Jain	Mr. Rajesh Jain	
	Independent Directors				
	• Fee for attending Board & Committee meetings	9.00	0.34	0.34	9.68
	• Commission				
	• Others, please specify				

	Total (1)	9.00	0.34	0.34	9.68
	<u>Other Non-Executive Directors</u> <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	None			
	Total (2)	NIL	NIL	1NIL	NIL
	Total (B)=(1+2)	9.00	0.34	0.34	9.68
Overall Ceiling as per the Act		Remuneration paid within the Ceiling Limit as prescribed in the Companies Act 2013			

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD (₹ in Lacs)

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	9.84	6.79	16.63
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify...			
5.	Others, please specify	NIL	NIL	NIL
6.	Total	9.84	6.79	16.63

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			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			None		
Compounding					

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part “A”: Subsidiaries

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

(Number/Amount ₹ in Lacs)

S.No.	Name of the Subsidiary	M.M. Metal Pvt. Ltd.
1	Reporting period for the subsidiary	2019-20
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NIL
3	Share capital	58.00
4	Reserves & surplus	42.74
5	Total assets	911.57
6	Total Liabilities	911.57
7	Investments	NIL
	Turnover	154.62
	Profit before taxation	7.20
	Provision for taxation	61.69
	Profit after taxation	-54.49
	Proposed Dividend	NIL
	% of shareholding	52.55%

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

- Names of subsidiaries which are yet to commence operations. – N.A.
- Names of subsidiaries which have been liquidated or sold during the year.– N.A.

Part “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Number/Amount ₹ in Lacs)

S.No.	Name of the Associate	Luhadiya Sons Shahpura Pvt. Ltd.
1	Latest audited Balance Sheet Date	31/03/2020
2	Shares of Associate held by the company on the year end	
	(a) Number	2.95
	(b) Amount of Investment in Associates	53.04
	(c) Extend of Holding (in %)	30.79%
3	Description of how there is significant influence	Holding in Associate Company is 30.79 %
4	Reason why the associate/joint venture is not consolidated	Consolidation made
5	Networth attributable to Share holding as per latest audited Balance Sheet	₹ 29.68
6	Profit / Loss for the year	₹ 1.08
	(a) Considered in Consolidation	

- 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.

Registered Office:
111, Sector-B, Sanwer Road, Industrial Area
Indore – 452015 (M.P)
CIN – L28939MP1989PLC005037
PLACE: INDORE
DATE: 12th August,2020
By and on behalf of the Board
Rajendra Jain
Managing Director
DIN: 00256515
Mahendra Jain
Joint Managing Director
DIN: 00256047

FORM NO. AOC -2
ANNEXURE -F

(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.

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
		Nil			

2. Details of contracts or arrangements or transactions at Arm's length basis-
(₹ in Lacs)

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
Bharti Chakarborty (Director's Wife)	• Rent Paid	As per the Agreement	3.60	30-05-2019	-----
Remswags Marketing Private Limited (Group Company)	• Purchase (Net) • Sales (Net) • Interest Received • Warehousing & Facility Charges paid	As per the Agreement	336.61 48.16 2.29 0.60	30-05-2019	-----
Indore Tools Private Limited (Group Company)	• Purchase (Net) • Sales (Net) • Rent Paid	As per the Agreement	636.56 29.75 2.40	30-05-2019	-----
Shekhar Jain (Joint Managing Director's Son)	• Remuneration	As per the Agreement	21.00	30-05-2019	-----
Manish Jain (Managing Director's Son)	• Remuneration	As per the Agreement	21.00	30-05-2019	-----
Prakhar Jain (Joint Managing Director's Son)	• Remuneration	As per the Agreement	21.00	30-05-2019	-----
Ravish Jain (Managing Director's Son)	• Remuneration	As per the Agreement	21.00	30-05-2019	-----
Mr. N. Chakarborty	• Sitting Fees	As per the Agreement	9.00	30-05-2019	-----
Mrs. Pratima Jain	• Sitting Fees	As per the Agreement	0.34	30-05-2019	-----
Mr. Rajesh Jain	• Sitting Fees	As per the Agreement	0.34	30-05-2019	-----
Shri Rajendra Jain – (MD of Company)	• Remuneration	As per the Agreement	56.19	30-05-2019	-----
Shri Mahendra Jain (Joint MD of Company)	• Remuneration	As per the Agreement	51.69	30-05-2019	-----
M.M. Metals Pvt. Ltd. (Subsidiary Company)	• Sales of material • Purchase (Net) • Warehousing & Facility Charges Paid	As per the Agreement	63.40 118.29 36.00	30-05-2019	
Fillracks Technology Pvt. Ltd. (Director's relative is Director)	• Purchase (Net) • Investment in shares	As per the Agreement	19.05 3.95	30-05-19	-----

Registered Office:
111, Sector-B, Sanwer Road, Industrial Area
Indore – 452015 (M.P)
CIN – L28939MP1989PLC005037
PLACE: INDORE
DATE: 12th August, 2020
By and on behalf of the Board
Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
[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
Indore (MP)

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 compliance's 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 2020 ('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, 2020 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 (upto 9th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10th November, 2018).
 - (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 (upto 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (effective from 11th September, 2018). **(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) I 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.

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.

Raju Chandra Pal
(Proprietor)

Date: 23.07.2020

M. No: FCS-9927

Place: Indore

C P No: 14771

UDIN: F009927B000492948

To,
The Members,
ITL Industries Limited
Indore (MP)

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.

For Raju Chandra Pal & Co.
Company Secretaries

Raju Chandra Pal
(Proprietor)
M. No: FCS-9927
C P No: 14771

Date: 23 .07.2020
Place: Indore

Annual Report on CSR Activities

1. A brief Outline of the Company's CSR policy, including overview of projects or programs to be undertaken to the CSR policy and projects or programs.

The CSR activities shall mean all the Corporate Social Responsibility activities/ programs/ initiatives of the company, either ongoing or new, dealing with the activities mentioned in thrust areas. The activities shall conform to those specified the CSR Committee and approved by the Board. CSR Policy of ITL Industries Limited is available on our website www.itl.co.in

2. The Composition of the CSR Committee.

Mr. Rajendra Jain : Chairman of the Committee Mr. Mahendra Jain : Member

Dr. Pratima Jain : Member (Non-executive Independent Director)

3. Average net profit of the company for last three financial year. The average Net Profit for the last three year is Rs 467 Lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).

The Company was required to spend Rs. 13.02 Lacs towards CSR for the Financial Year 2019-20.

5. Details of CSR spent during the Financial Year:

- a. Total amount to be spent for the Financial Year 2019-20: Rs. 17.36 Lacs.
- b. Amount Spent: Rs. 6.36 Lacs.
- c. Amount unspent: Rs. 11.00 Lacs (FY 2019-20) Unspent amount to be spent in the future in prospects government project, health care, education etc.
- d. Manner in which the amount spent during the Financial Year are as under :-

S.No.	CSR Projector Activity identification	sector in which covered	Area Location	Amount outlay	Amount spent	Cumulative Expenditure	Amount spent direct/ through implementation Agency
1.	Promoting education/ Health care	Education/ Health care	Indore	6.36 lacs.	6.36 lacs.	6.36 Lacs.	Agency

6. Reason for unspent amount :- The company will depose the CSR projects in identifiable areas and hopeful to spent the allocated amount in coming years.
7. We hereby declare that implementation and monitoring of the CSR policy, is in compliance with CSR objectives and policy of the Company.

Rajendra Jain
Chairman

Date : 23/7/2020

Place : Indore

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 2019-20, ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial year 2019-20 are as under: (₹ in Lacs)

S.No.	Name	Remuneration of Director/ KMP for the FY 2019-20	% Increase in remuneration in the FY 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
1.	Shri Rajendra Jain Managing Director	56.19	7.64%	26.25:1
2.	Shri Mahenda Jain Joint Managing Director	51.69	7.64%	24.15:1
3.	Shri Ashok Ajmera, CFO	9.84	8.01%	N.A.
4.	Shri Akhilesh Gautam, CS	6.79	6.26%	N.A.

- The median remuneration of employees of the Company during the financial year was 2.14 Lacs.
- In the financial year, there was an increase of average 10.00%, in the median remuneration of employees.
- The number of permanent employees on the roll of the company is 297 Employees.
- The Price earnings ratio as at 31.03.2020 is 3.05 and 31.03.2019 was 7.74
- There is no employee receiving remuneration in excess of the highest paid director.
- All the components of the remuneration are fixed and no components are variable.
- 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 2019-20 are as under. (₹ in Lacs)

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 Jain	Managing Director	56.18	Permanent	BE(MECH.) Phd	43 yrs	01.02.1993	20.04.1954	Dewas Tools Pvt. Ltd	11.34%	
2.	Shri Mahendra Jain	Jt.Managing Director	51.69	Permanent	M.COM	43 yrs	01.02.1993	19.10.1957	State Bank of India	7.57%	
3.	Shri Ravish Jain	CEO (Research & Development)	21.00	Permanent	BE, MBA	14 yrs	01.08.2006	20.11.1981	Fresh Appoint.	2.94%	Son of Managing Director
4.	Shri Prakhar Jain	CEO (Business Development)	21.00	Permanent	BE, MBA, MS (Hydraulics)	15 yrs	02.05.2005	21.09.1983	Fresh Appoint.	2.58%	Son of Jt.Managing Director
5.	Shri Manish Jain	COO (Business Operation)	21.00	Permanent	BE(MECH.)	14 yrs	01.04.2006	20.07.1985	Fresh Appoint.	2.37%	Son of Managing Director
6.	Shri Shekhar Jain	COO (Sales & Marketing)	21.00	Permanent	BE(Elec.)	8 yrs	01.04.2012	30.09.1988	Fresh Appoint.	2.90%	Son of Jt.Managing Director
7.	Shri Vikas Choudhary	Vice President	12.54	Permanent	BE(MECH.)	26 yrs	05.05.2017	20.02.1967	Tata International	Nil	
8.	Shri Mukesh Patni	Sr.Manager	11.37	Permanent	M.Com	25 yrs	01.01.1995	12.12.1968	Fresh Appoint.	Nil	
9.	Smt. Pratibha Kothari	Internal Auditor	10.62	Permanent	Chartered Accountant	21 yrs	05.02.2010	29.05.1975	Bhandari Groups Jaipur	Nil	
10.	Shri Ashok Ajmera	CFO	9.84	Permanent	M.Com CA Inter	32 yrs	01.02.2004	15.10.1964	Beta Naptol Ltd	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. 5928.94 lacs in the year 2019-20 as against 7820.08 lacs in the year 2018- 19, showing a downfall of 24.18% and apart from Bandsaw Machines, designing and manufacturing of equipment's 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. 2582.86 lacs in the year 2019-20 as against Rs. 3076.14 lacs in the year 2018-19, showing a downfall of 16.04%. 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 manufacturing division has shown excellent 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 an internal 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 decreased from Rs. 10242.22 Lacs to Rs. 8023.40 Lacs showing a downfall of 21.66% & profit after Tax of the Company for the year under review has decreased from Rs. 664.95 lacs to Rs. 467.54 Lacs showing a downfall of 29.69%.

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.

iv) 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: 12/08/2020

Rajendra Jain
Managing Director
DIN-00256515

Mahendra Jain
Joint Managing Director
DIN-00256047

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is given below:

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, Corporate Social Responsibility 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, gives guidance in R & D activities 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 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 Compliance's as applicable at plant level. He is also looking into the marketing, accounts, secretarial and finance department.

6. Board of Directors

The 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.

ITL Industries Limited has certain rights enshrined in the Articles of Associations pertaining to appointment of Directors. Physical attendance of each Director at the Board Meeting during the year 2019-2020 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 Jain (Managing Director)	Executive	4	4	Yes
Shri Mahendra 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	No
Dr. Pratima Jain	Non-Executive / Independent	4	4	Yes
Shri Rajesh Jain	Non-Executive /Independent	4	4	Yes

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 –

1. Quarterly/Half yearly/Annual results of the Company and its units/business segments
2. Operating Plans, Long Term Plans, Business Initiatives and other related matters
3. Minutes of meetings of Committees of the Board
4. Status Report on Investor Requests/grievances
5. Related Party Transactions
6. Expansion projects and its status monitoring
7. Sale of material nature like equity investment, subsidiaries, assets, which is not in normal course of business
8. Compliance status of various laws applicable to the Company.
9. Material non-compliance of any regulatory/ statutory nature or listing requirements, if any
10. 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 Jain	4	Nil
Shri Mahendra Jain	5	Nil
Shri Manohar Singh Jain	1	Nil
Shri N.Chakraborty	Nil	Nil
Shri Rajesh Jain	1	Nil
Dr. Pratima Jain	1	Nil

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

During the financial year ended on 31st March, 2020 Four Board Meetings were held on 30th May, 2019, 13th August, 2019, 13th November, 2019 and 12th February 2020.

Matrix of Skill/Expertise/ Competencies is of the Board of Directors:

In terms of the requirements of the SEBI Listing Regulations, the Board has identified and approved the list of core Skill/Expertise/ Competencies as required in the context of Company's Business (es) and Sector(s) for it to function effectively. Broadly, the essential skills identified by the Board are categorized as under:-

Stratgy and Planning Competencies	Appreciation of long term trends, statrtgeic choices ande experience in guiding and leading management teams to make deceisions in uncertain environment.
Administrtaiive Competencies	Managemnet of Time and Priority Setting, Goals and Standard Setting, Work Planning, Monitoring, Scheduling and Controlling.
Marketing Competencies	Experience in developing statraties to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.
Law & Business Competencies	Understanding of the relevant laws, rules, regulation policies applicable to the organisation/industry/sector and level/satus of compliances thereof and understanding of businees ethics, ethcial polioices, codes and practices of the organisation.
Assessing Risks and Decision – Making Competencies	It involve the ability to evaluate alternatives, idendtify limites, assaign weights to each option and choose the best option to achive the desired goals and standards

Thsese skills/ comperenecies are broad-based, encompassing severals area of expertise/experenice. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors posses all skills/experince listed therein..

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 strength of the Audit Committee is three Shri N. Chakraborty (Independent & Non-Executive Director), Chairman of the Audit Committee of the Company and Shri Rajesh Jain (Independent & Non-Executive Director), Dr. Pratima Jain (Independent & Non- Executive Director) are Members 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 2019-20. The attendances 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. Pratima Jain	4	4
Shri Rajesh Jain	4	4

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

During the financial year ended on 31st March, 2020 Four Board Meetings were held on 30th May, 2019, 13th August, 2019, 13th November, 2019 and 12th February 2020.

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 strength of the Nomination & Remuneration Committee is three Dr. Pratima Jain (Independent & Non-Executive Director) is Chairman of the Committee and Shri N. Chakraborty (Independent & Non-Executive Director) & Shri Rajesh Jain (Independent & Non- Executive Director) are Members of the committee. 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.

- b. 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.
- c. Chairman of the committee shall be an Independent Director.

5. Policy

This policy is divided into two parts:

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 timebeing 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.

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 there under 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:

Two meeting of the Nomination & Remuneration Committee was held during the year 2019-20. 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	2	2
Shri Rajesh Jain	2	2
Dr. Pratima Jain	2	2

(A) The details of the remuneration paid to Whole time Directors during the year 2019-2020 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	Service Contract, Notice period and Severance Fees criteria	Stock option with details,if any, and whether issued at discount as well as the period over which exercisable
Shri Rajendra Jain (Managing Director)	56.18	NIL	NIL	NIL
Shri Mahendra Jain (Joint Managing Director)	51.69	NIL	NIL	NIL

(B) The details of payments to Non-Executive & Independent Director during the year 2019-2020 are given below:

(₹ in Lacs)

Name of Director	Sitting Fees	Commission
Shri N. Chakraborty	9.00	NIL
Dr. Pratima Jain	0.34	NIL
Mr. Rajesh Jain	0.34	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 Shri Rajesh Jain & 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:

Six meetings of the Stakeholder Relations Committee were held during the year 2019-20. 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	6	4
Dr. Pratima Jain	6	6
Shri Rajesh Jain	6	6

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. The company has not received any complain of Sexual Harassment during the financial year 2019-20.

F. Separate Independent Directors' Meeting

The meeting of Independent Directors held on 12.02.2020, 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

G. Corporate Social Responsibility Committee

The committee was formed at the Board meeting held on August 13, 2018 in compliance with the provisions of Companies Act, 2013. The terms of reference of the committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in Schedule VII of Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities and to monitor CSR Policy and its implementation from time to time.

Shri Rajendra Jain, Managing Director of the Company is Chairman of the Committee while Shri Mahendra Jain, Joint Managing Director and Dr. Pratima Jain Independent Director are members.

H. FINANCIAL DECISION MAKING COMMITTEE -The Board has constituted Financial Decision Making Committee and following are the members of the Committee :-

Shri Rajendra Jain - Chairman,
 Shri Mahendra Jain - Member
 Shri Ashok Ajmera - Member

The Committee meets on periodic intervals as per the requirement, and reviews & takes decision on finance related matters.

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	Whether Passed any Special Resolutions
29 th	28.09.2017	Registered Office	3.30 P.M.	No
30 th	27.09.2018	Registered Office	11.30 A.M.	Yes
31 st	25.09.2019	Registered Office	11.30 A.M.	Yes

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

Special Resolution Passed in Last AGM :-

1. To elect a Director in Place of Mr. Manohar Singh Jain
 2. Reappointment of Mr. N. Chakraborty as an Independent Director
 3. Reappointment of Dr. Pratima Jain as an Independent Woman Director
 4. Reappointment of Mr. Rajesh Jain as an Independent Director
 5. Approval of Loans, investments, guarantee or security under section 185 of the companies Act, 2013.
- b) No resolution requiring postal ballot as recommended under the SEBI (LODR) Regulations 2015.

9. Subsidiary Company :

M/s. M.M. Metals Pvt. Ltd. (52.55% share's stake by the Company) is subsidiary of Company. It is non-listed subsidiary.

10. Disclosures :

A disclosure on materially significant related party transactions i.e. the Company does not have any material related parties' transactions which have potential conflict with the interests of the Company at large.

Details are given elsewhere in the Annual Report. Please refer to item No. 6 of the Notes to the Accounts.

Details of non-compliance by the Company, penalties, and 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- allia, 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 or 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 2019-20 signed by Managing Director of the Company was placed before the Board of Directors at their meeting held on 12th August, 2020. The said certificate is annexed and forms part of the Annual Report.

13. Declaration regarding code conduct :

The certificate regarding compliance of conditions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 from the Auditors of the Company Annexed hereto.

General Shareholder information:**- Annual General Meeting :**

The 32nd Annual General Meeting of the Company will be held on Thursday 24th September, 2020 at 11.30 A.M. the company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the companies Act 2013 and MCA general circular no. 14/2020 dated 8/4/2020, MCA general circular no. 17/2020 dated 13/4/2020 and general circular no. 20/2020 dated 5/5/2020 and as such there is no requirement to have a venue for the AGM.

- Financial Calendar : for the Financial year 2020-21

Quarter	Period	Publication of Results
First	April to June, 2020	On or before 14 th August, 2020
Second	July to September, 2020	On or before 14 th November, 2020
Third	October to December, 2020	On or before 14 th February, 2021
Fourth	January to March, 2021	On or before 30 th May, 2021

- Date of Book Closure:

Friday, the 18th September, 2020 to Thursday, the 24th September, 2020 (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 is as given below:

(Amount in ₹)

Month	Highest	Lowest	Month	Highest	Lowest
April, 2019	178.50	155.15	October, 2019	99.65	69.00
May, 2019	188.00	145.60	November, 2019	90.95	62.60
June, 2019	166.00	125.00	December, 2019	87.55	70.05
July, 2019	153.85	110.00	January, 2020	82.25	67.55
August, 2019	139.90	91.30	February, 2020	79.00	59.30
September, 2019	109.95	91.00	March, 2020	70.95	35.30

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

Month	Highest	Lowest	Month	Highest	Lowest
April, 2019	39487.45	38460.25	October, 2019	40392.22	37415.83
May, 2019	40124.96	36956.10	November, 2019	41163.79	40014.23
June, 2019	40312.07	38870.96	December, 2019	41809.96	40135.37
July, 2019	40032.41	37128.26	January, 2020	42273.87	40476.55
August, 2019	37807.55	36102.35	February, 2020	41709.30	38219.97
September, 2019	39441.12	35987.80	March, 2020	39083.17	25638.90

- 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 7104450

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, 2020

No. of Equity share held	No. of Folio	Percentage%	No. of Shares	Percentage%
Upto 500	3007	86.65	380628	11.87
501 to 1000	210	6.05	162420	5.07
1001 to 5000	186	5.37	405611	12.65
5001 to 10000	32	0.92	233060	7.27
10001 and above	35	1.01	2022581	63.12
Grand Total:	3470	100.00	3204300	100.00
No. of Shareholders In Physical mode	680	19.60	131425	4.10
No. of Shareholder In Electronic Mode	2790	80.40	3072875	95.90

Shareholding Pattern as on 31st March, 2020

Category	No. of Share Holders	No. of Shares	Percentage%
Promoters	15	1441217	44.98
Foreign Collaborators	NIL	NIL	NIL
Mutual Funds	NIL	NIL	NIL
FIs. / Banks	NIL	NIL	NIL
FIIs / NRIs	55	112270	3.50
Domestic Companies	32	59914	1.87
Public	3291	1590899	49.64
Total :	3393	3204300	100.00

- Dematerialisation of Shares and liquidity

About 95.90% of Company's paid-up Share capital has been dematerialized upto 31st March, 2020

MD/ CEO CERTIFICATION

To,
The Board of Directors,
ITL Industries

Dear Sirs

We have reviewed the Financial Statement read with the cash flow statement of the company for the year and that to the best of their 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

- i. No significant change in internal control over financial reporting during the year
- ii. No significant change in accounting policies during the year under review and
- iii. No instance of any fraud in the company in which the management has any role.

PLACE : INDORE

DATED : 12.08.2020

For ITL Industries Limited

Rajendra Jain

Managing Director

DIN-00256515

DECLARATION ON CODE OF CONDUCT

I, Rajendra 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.

PLACE : INDORE

DATED : 12.08.2020

For ITL Industries Limited

Rajendra 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 for the year ended on 31st March, 2020, as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses(b) to (i) 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 Disclosures Requirements) Regulations, 2015 (as amended) (collectively referred to as 'SEBI Listing Regulations, 2015').

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 implementations 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 and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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.

**STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C**

**CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN 20420388AAAAAKE5848**

PLACE: INDORE**DATE: 12/08/2020**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
ITL Industries Limited
111-Sector-B, Sanwar Road,
Industrial Area, Indore-452010 (MP)
CIN: L28939MP1989PLC005037

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ITL Industries Limited** having **CIN: L28939MP1989PLC005037** and having registered office at **111-Sector-B, Sanwar Road, Industrial Area, Indore-452010 (MP)** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN	Full Name	Present Residential Address	Designation	Date of Appointment
00256047	Mahendra Jain	144, Shantiniketan Colony Behind Bombay Hospital Indore 452010 MP IN	Wholetime Director	01/02/1993
00256131	Manohar Singh Jain	144 Kanchan Bag Indore 452001 MP IN	Director	25/01/1989
00256515	Rajendra Jain	144 Kanchan Bagh Indore 452001 MP IN	Managing Director	01/02/2013
00443524	Niranjan Chakraborty	258, Aravli Appts Alaknanda New Delhi- 110019 DL	Director	01/05/1999
01216467	Rajesh Jain	13/4, Old Palasia Behind Nafees Restaurant Indore- 452001 MP	Director	14/11/2018
06955665	Pratima Jain	106, Sarva Suvidha Nagar, Ext. Kandia Road 602 A Rohan Residency Indore -452016 MP IN	Director	27/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. This certificate is issued pursuant to clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

For Raju Chandra Pal & Co.
Company Secretaries

Raju Chandra Pal
(Proprietor)
M. No: FCS-9927
C P No: 14771

Date: 12.08.2020

Place: Indore

STANDALONE FINANCIAL STATEMENTS**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF****ITL INDUSTRIES LIMITED****REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS****OPINION**

We have audited the accompanying standalone financial statements of **ITL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31ST March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020, and its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Principal Audit Procedures/ Auditor's Response:
1.	Appropriateness of Current / Non-current classification	<p>For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.</p> <p>The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's best estimate of the period in which the assets would be realised, or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.</p>
2.	<p>Non-responses of external confirmations request perpetrated pursuant to SA 505</p> <p>COVID-19 has impacted the procedure of external confirmation request by management to vendors and customers. Postal facilities were not available in the near end of the financial year. To combat this, the management had sent positive external confirmation requests through</p>	<p>In the absence of related confirmations, we performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the books of accounts.</p>

	<p>electronic modes. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated.</p> <p>In such events, SA also directs the auditors to perform alternative audit procedures.</p>	
3.	<p>Evaluation of pending tax litigations/</p> <p>The Company has pending litigation for demand in dispute under various tax statutes which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>We have obtained details of tax litigations under various statutes for the year ended 31st March 2020 from the management.</p> <p>We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters.</p> <p>We have also reviewed the assumptions made by the management as at 31st March 2019 and evaluated whether any change was required on account of information and updates made available during the year.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report and management compliance certificate but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENT

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EMPHASIS OF MATTER

The Operations of the Company during the year ended 31st March 2020 were marginally affected due to Lockdown announced by the Central / State Governments in the month of March 2020 due to the outbreak of Novel Coronavirus COVID19.

Considering the restrictions in physical movement and visits to the company offices, the Company has given us access to their computer/ERP System. We were able to access the relevant data & records for our Audit purpose. Further the company has provided all other data / information / records as required by us using e-data/e-mail sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio/Video Conferencing, etc.

Due to the phase wise Lockdown imposed by Central / State Governments and the resulting travel restrictions, it was not possible for us to physically visit the Company on a regular basis and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records / documents / statements received by us through electronic media. We have also received Management Representation Letters wherever necessary. Using such techniques and relying on the inputs provided by the management, we have ensured reasonable assurance that the information / record / statements provided to us are free from material misstatement and adhere to the relevant standards.

We have carried out the Audit Process subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

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 in terms of section 143 (11) 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, based on our audit, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31st, 2020, taken on record by the Board of Directors, none of the director is disqualified as on March 31st, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our Opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at March 31st, 2020 on its financial position vide Additional Notes on Accounts no. 27(B)(2)(A) in its standalone financial statements.
 - b. The Company has made adequate provision as at March 31st 2020, as required under the applicable law or Indian accounting standards, for material foreseeable losses acknowledged by the company, if any, on long-term contracts including derivative contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Statutory Auditors
FOR: MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312

PLACE: INDORE

DATE: 23/07/2020

Annexure – “A” to the Independent Auditor’s Report

The Annexure required under CARO, 2016 referred to in our Report to the members of the **ITL INDUSTRIES LIMITED** (“the Company”) for the year ended March 31st, 2020, and according to the information and explanations given to us, we report as under:

- (i) (a) The Company has maintained adequate records showing general particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management in a phased manner with a regular programme of verification over a period of three years. In our opinion this periodicity physical verification 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 and have been properly dealt with in the books of account.
- (c) On the basis of our examination of records of the Company, we report that, The Title Deeds, comprising all the immovable properties of land & buildings, which are free hold, are held in the name of company as at the balance sheet date. In respect of lease hold immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the company, where the Company is the lessee in the agreement.
- (ii) In our opinion, on the basis of our examination of the records of the company, the inventories and stocks lying with third parties have been physically verified by the management during the year. For stock lying with third parties at year end written confirmation have been obtained. The material discrepancies noticed, if any, has properly been dealt with in the books of accounts.
- (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. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, the company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The company has neither invited nor accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company, pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- (vii)(a) According to the records of the Company, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Duty of Custom and any other material statutory dues, whichever is applicable to the company with the appropriate authorities during the year and no undisputed amounts were outstanding as at March 31st, 2020 for a period of more than six months, from the date they become payable.
- (b) There are no dues of Income Tax, Goods and Service Tax, Duty of Custom and any other statutory dues which have not been deposited on account of any dispute except as under;

(Amount in ₹ Lacs)

Name of Statute	Forum where dispute is pending	Period to which the Amount Relates	Amount Involved	Amount Unpaid
Central Sales Tax, 1956	Appellate Authority	FY 2014-15	23.53	17.65
		FY 2011-12	48.65	34.17
		FY 2015-16	31.30	22.49
		FY 2016-17	26.64	23.98
Income Tax Act, 1961	CPC, Bengaluru	AY 2011-12	0.41	0.41
Income Tax Act, 1961	Jurisdictional AO	AY 2018-19	9.96	9.96
Income Tax Act, 1961	CPC, Bengaluru	AY 2019-20	0.35	0.35
Income Tax Act, 1961 – TDS demand	CPC, TRACES	Prior Year	2.80	2.80

- (viii) The Company has not defaulted in repayment of dues to banks and financial institution. There are no debenture holders and loan from government.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and had not taken any term loan during the year.
- (x) Based upon the audit procedures performed, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- (xi) To the best of our knowledge and belief, managerial remuneration has been paid / provided in accordance with the requisite approvals, if any, mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) 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 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable standards.
- (xiv) Based on our examination of the record of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion, the company has not entered into any non cash transaction with directors or persons connected with him; therefore the reporting requirement of the clause is not applicable to the company.
- (xvi) In our opinion and 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 & CO**CHARTERED ACCOUNTANTS****ICAI FRN 001457C****CA NIRDESH BADJATYA****PARTNER****ICAI MNO 420388****ICAI UDIN: 20420388AAAAIO8312****PLACE: INDORE****DATE: 23/07/2020**

ANNEXURE - “B” TO THE INDEPENDENT AUDITOR’S REPORT**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **ITL INDUSTRIES LIMITED** (“the Company”) as on March 31st, 2020 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 internal financial controls over financial reporting with reference to these standalone financial statements.

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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, a reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020 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 & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312



ITL INDUSTRIES LIMITED
STANDALONE BALANCE SHEET AS AT 31st MARCH 2020

(Amount in ₹ Lacs)

PARTICULARS	Notes	As at 31.03.2020	As at 31.03.2019
ASSETS			
A Non Current Assets			
Property Plant & Equipment	1	819.37	881.38
Capital Work in Progress		317.43	302.11
Intangible Assets	2	75.39	64.82
Investment in Subsidiary and Associates	3	94.17	94.17
Financial Assets			
Investments	3	33.68	33.68
Other Non Current Assets	4	245.19	245.13
Total Non Current Assets		1585.23	1621.29
B Current Assets			
Inventories	5	4174.50	3548.75
Financial Assets			
Investments	6	43.92	19.59
Trade Receivables	7	1815.02	2304.43
Cash & Cash Equivalents	8	35.30	17.12
Other Balances with Banks	9	121.44	235.01
Loans & Advances	10	310.85	356.07
Other Current Assets	11	312.69	369.31
Total Current Assets		6813.72	6850.28
TOTAL ASSETS		8398.95	8471.57
EQUITY AND LIABILITIES			
A Equity			
Equity Share Capital	12	320.43	320.43
Other Equity	13	4015.31	3567.08
Total Equity		4335.74	3887.51
B Non Current Liabilities			
Financial Liabilities			
Long Term Borrowings	14	115.02	137.94
Deferred Tax Liabilities		99.92	105.18
Total Non Current Liabilities		214.94	243.12
C Current Liabilities			
Financial Liabilities			
Short Term Borrowings	15	1391.67	1303.49
Trade Payables	16	1477.45	2215.55
Other Financial Liabilities	17	64.53	88.44
Other Current Liabilities	18	905.87	684.96
Other Tax Liabilities (Net)	19	8.75	48.50
Total Current Liabilities		3848.27	4340.94
TOTAL EQUITY AND LIABILITIES		8398.95	8471.57

See accompanying notes to the financial statements

27

Rajendra Jain
Managing Director
DIN : 00256515

Mahendra Jain
Joint Managing Director
DIN : 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

Date : 23rd July 2020
Place : Indore

As per report of even date attached
STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312



ITL INDUSTRIES LIMITED

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ Lacs)

PARTICULARS	Notes	For the year 2019-20	For the year 2018-19
REVENUE FROM OPERATIONS			
Revenue from Sale of Products (Net of GST)	20	7925.41	10182.05
Other Income	21	97.99	60.17
Total Income		8023.40	10242.22
EXPENSES			
Cost of Material Consumed	22	5491.02	7757.20
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	-385.02	-966.54
Employee Benefits Expenses	24	1048.64	1061.72
Other Expenses	25	996.70	1323.56
Finance Cost	26	145.15	104.76
Depreciation and Amortisation		118.30	128.96
Total Expenses		7414.79	9409.66
Profit Before Exceptional Items & Tax		608.61	832.56
Tax Expenses			
Current Tax Expenses		150.00	200.00
Tax Expenses of Previous Years		-3.67	-3.98
Deferred Tax Liability Written Back		-5.26	-28.41
		141.07	167.61
PROFIT AFTER TAX FROM CONTINUED OPERATION		467.54	664.95
Other Comprehensive Income		0.00	0.00
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		467.54	664.95
Earnings per equity share (Face Value of Rs. 10 each)			
(i) Basic (in Rs.)		14.59	20.75
(ii) Diluted (in Rs.)		14.59	20.75

See accompanying notes to the financial statements

27

Rajendra Jain
Managing Director
DIN : 00256515

Mahendra Jain
Joint Managing Director
DIN : 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

Date : 23rd July 2020
Place : Indore

As per report of even date attached
STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312

ITL INDUSTRIES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in ₹ Lacs)

A) EQUITY SHARE CAPITAL

Particulars	As At 31.03.2020	As At 31.03.2019
Balance at the beginning of the reporting year	320.43	320.43
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	320.43	320.43

B) OTHER EQUITY

2019-20

Particulars	Reserve and Surplus	
	General Reserve	Retained Earnings
Balance as at March 31, 2019	3400.00	162.07
Changes in accounting policy/prior period errors		
Restated balances at the beginning of the reporting period	3400.00	162.07
Profit/(Loss) for the Year	200.00	467.54
Other Comprehensive Income for the Year	0.00	0.00
Total Comprehensive Income/(Loss)		629.61
Transactions with owners in capacity as owners		
Proposed Dividends	0.00	-16.02
Bonus Shares	0.00	0.00
Dividend Distribution Tax	0.00	-3.29
Movement During the Year	0.00	-200.00
Balance as at March 31, 2020	3600.00	410.30

2018-19

PARTICULARS	Reserve and Surplus	
	General Reserve	Retained Earnings
Balance as at March 31, 2018	2900.00	35.75
Changes in accounting policy/prior period errors		
Restated balances at the beginning of the reporting period	2900.00	35.75
Profit/(Loss) for the Year	500.00	664.95
Other Comprehensive Income for the Year	0.00	0.00
Total Comprehensive Income/(Loss) for the Year		700.70
Transactions with owners in capacity as owners		
Proposed Dividends	0.00	-32.04
Dividend Distribution Tax	0.00	-6.59
Bonus Shares	0.00	0.00
Movement During the Year	0.00	-500.00
Balance as at March 31, 2019	3400.00	162.07

Rajendra Jain
Managing Director
DIN : 00256515

Mahendra Jain
Joint Managing Director
DIN : 00256047

Ashok Ajmera
Chief Financial Officer

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Company Secretary
FCS : 8592

Date : 23rd July 2020
Place : Indore

As per report of even date attached
STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER

ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312

ITL INDUSTRIES LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020 (₹ in Lacs)

Particulars	2019-20	2018-19
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	608.61	832.58
Adjustment to reconcile net profit to cash provided by operating activities:		
Depreciation	118.30	128.95
Finance Cost	145.15	104.77
Changes in assets and liabilities		
Inventories	(625.76)	(1092.24)
Trade receivables and unbilled revenues	489.42	(178.97)
Other Current Assets	56.56	(199.74)
Other Financial Assets	45.22	202.31
Current Liabilities & Provisions	(580.87)	530.45
Cash Generated from operations	256.63	328.11
Interest paid	(145.15)	(104.77)
Direct Tax paid (Net)	(151.59)	(196.02)
Cash Flow before extra ordinary adjustments	-40.11	27.32
Extra Ordinary Items :		
Loss / Profit on Sale of Investment	1.43	0.00
Loss / Profit on Sale of Fixed Assets	0.98	(0.59)
Equity Shares Forfeited	0.00	0.00
Net Cash Generated by Operating Activities (A)	(-37.71)	26.73
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(79.31)	(160.08)
Investment made during the year	(24.33)	(67.97)
Net Cash Used in Investing Activities (B)	(103.64)	(228.05)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long Term Borrowings (Net)	(22.92)	(71.86)
Proceeds from Short Term Borrowings	88.19	380.07
Changes in Equity Share Capital	0.00	0.00
Dividend / Corporate Dividend Tax paid	(19.31)	(38.62)
Net Cash Used in Financing Activities (C)	45.96	269.59
Net increase in cash and cash equivalents (A+B+C)	(-95.39)	68.27
Opening Balance of Cash and cash equivalents	252.13	183.86
Closing Balance of Cash and cash equivalents	156.74	252.13

Notes to the Statement of Cash Flow :

i Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents as per Balance Sheet (Refer note 8&9)	156.74	252.13

ii The Statement of Cash Flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flow'.

iii As per the amendment in Ind AS 7 'Statement of Cash Flow' : Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	As at 31 st March, 2019	Cash Flows	Non-cash changes Exchange rate difference adjustments	Amortisation of ancillary cost of borrowing	As at 31 st March, 2020
Long Term Borrowings (Refer note 14)	137.94	-22.92	0.00	0.00	115.02
Short Term Borrowings (Refer note 15)	1303.49	88.19	0.00	0.00	1391.67
Total	1441.42	65.26	0.00	0.00	1506.69

The accompanying notes are an integral part of these financial statements.

By and on Behalf of the Board

Rajendra Jain
Managing Director
DIN : 00256515

Mahendra Jain
Joint Managing Director
DIN : 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

As per report of even date attached
STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388

Date : 23rd July 2020
Place : Indore

ICAI UDIN: 20420388AAAAIO8312

ITL INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020
NOTE - 1
PROPERTY, PLANT & EQUIPMENT
(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2019	Additions during the year	Deductions during the year	Balance as at 31.03.2020	Balance as at 01.04.2019	Depreciation For The Year	Deduction & Adjustment	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Leasehold Industrial Land	35.08	0.00	0.00	35.08	0.00	0.00	0.00	0.00	35.08	35.08
Site Development	1.50	0.00	0.00	1.50	0.65	0.05	0.00	0.69	0.81	0.85
Factory Building	532.06	1.95	0.00	534.01	160.55	14.93	0.00	175.48	358.53	371.51
Plant & Machinery	466.96	9.56	0.00	476.52	304.91	25.16	0.00	330.07	146.46	162.05
Other Equipments	201.62	0.47	0.00	202.09	114.94	9.85	0.00	124.79	77.30	86.68
Electrical Equipment	4.94	0.00	0.00	4.94	4.56	0.03	0.00	4.59	0.36	0.38
Office Equipment	99.60	3.52	0.00	103.13	61.80	7.14	0.00	68.94	34.19	37.80
Furniture & Fixture	213.48	3.48	0.26	216.70	128.94	14.01	0.26	142.69	74.01	84.54
Computer	100.69	2.49	0.00	103.18	68.98	16.61	0.00	85.58	17.60	31.72
Vehicles	146.92	19.62	3.70	162.83	76.33	15.20	3.61	87.92	74.91	70.59
Cycle & Handcart	0.75	0.00	0.00	0.75	0.57	0.04	0.00	0.61	0.14	0.18
TOTAL	1803.61	41.09	3.96	1840.73	922.23	103.00	3.87	1021.36	819.38	881.37

NOTE - 2
INTANGIBLE ASSETS

Software	238.77	25.86	0.00	264.63	173.94	15.30	0.00	189.24	75.39	64.82
TOTAL	238.77	25.86	0.00	264.63	173.94	15.30	0.00	189.24	75.39	64.82
TOTAL - (A) + (B)	2042.37	66.95	3.96	2105.36	1096.18	118.29	3.87	1210.60	894.76	946.20
Previous year	1917.48	142.97	18.08	2042.37	984.01	128.95	16.79	1096.18	946.20	933.44

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 3		
Investments		
Shares & Securities (Unquoted, fully paid up, at cost)		
- In Subsidiary Company		
M/s M.M. Metals Pvt. Ltd.	18.12	18.12
30480 (Previous year 30480) Equity Shares of Rs. 100 each		
M/s M.M. Metals Pvt. Ltd.	23.00	23.00
23000 (Previous year 23000) 5% Redeemable Cumulative Preference Share of Rs. 100 each		
- In Associates Company		
M/s Luhadiya Sons Pvt. Ltd.	53.04	53.04
294690 (Previous year 294690) Equity Shares of Rs. 10 each		
- In Other Company		
M/s Dimart Engineering Pvt.Ltd.	4.00	4.00
64000 (Previous year 64000) Equity Shares of Rs. 10 each		
M/s Indore Tools Pvt. Ltd.	25.73	25.73
568400 (Previous year 502098) Equity Shares of Rs. 10 each		
M/s Fillracks Technoloy Pvt. Ltd.	3.95	0.00
3950 (Previous year NIL) Equity Shares of Rs. 100 each		
Share Application Money - Fillracks Technoloy Pvt. Ltd.	0.00	3.95
TOTAL	127.84	127.84
NOTE - 4		
Other Non Current Assets		
Unsecured, Considered Good		
(a) Loans and Advances to Related Parties	218.00	218.00
(b) Security Deposit	27.19	27.13
TOTAL	245.19	245.13



(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 5		
Inventories (Valued at lower of cost or net realisable value) (As taken, valued and certified by Management)		
(a) Raw Materials & Bought Out Components	1398.45	1156.53
(b) Stock of Trading Goods	1807.09	1100.63
(c) Finished Goods	64.39	68.26
(d) Work in Process & Semi finished Goods	904.45	1222.02
(e) Stores, Spare Parts & Standard Items	0.13	1.31
TOTAL	4174.50	3548.75
NOTE - 6		
Short Term Investments		
(a) Quoted but not Listed - Mutual Funds	15.00	16.00
(b) Quoted and Listed - Equity Shares	3.59	3.59
(c) Debentures	25.33	0.00
TOTAL	43.92	19.59
NOTE - 7		
Trade Receivables (Unsecured, Considered Good unless otherwise stated)		
(a) Overdue for More than Six Months - Considered Good	735.41	667.20
(b) Others - Considered Good	1079.61	1637.23
TOTAL	1815.02	2304.43
NOTE - 8		
Cash & Cash Equivalents		
(a) Cash in Hand	7.47	4.70
(b) Balances with Schedule Banks - In Current Accounts	27.83	12.42
TOTAL	35.30	17.12
NOTE - 9		
Bank Balances - Others		
(a) Fixed Deposit Account	111.61	221.67
(b) Accured Interest on Fixed Deposits	1.32	3.21
(c) Unclaimed Dividend	8.51	10.13
TOTAL	121.44	235.01
NOTE - 10		
Short Term Loans & Advances (Unsecured, Considered Good unless otherwise stated)		
Loans and Advances to Related Parties	310.85	356.07
TOTAL	310.85	356.07
NOTE - 11		
Other Current Assets		
(a) Prepaid Expenses	6.84	6.80
(b) Balance with Government Authorities	119.06	168.60
(c) Other Deposits	52.21	49.39
(d) Others - Unsecured Considered Good	109.01	89.24
(e) Loans and Advances to Employees	25.58	55.28
TOTAL	312.69	369.31

(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 12		
Equity Share Capital		
(a) Authorised		
40,00,000 Equity Shares of Rs.10/- each	400.00	400.00
(Previous Year 40,00,000 Equity Shares of Rs.10/- each)		
(b) Issued & subscribed		
32,97,300 Equity Shares of Rs.10/- each	329.73	329.73
(Previous Year 32,97,300 Equity Shares of Rs.10/- each)		
(c) Paid up Capital		
3204300 Equity Shares of Rs. 10/- each at par	320.43	320.43
TOTAL	320.43	320.43

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Outstanding at the beginning of the year	320.43	320.43
32,04,300 Equity Shares of Rs.10/- each		
Issued during the year	0.00	0.00
Bought back/Forfeited during the year	0.00	0.00
Outstanding at the end of the year	320.43	320.43
32,04,300 Equity Shares of Rs.10/- each		

(b) Terms/Rights attached to Equity Shares

- (i) The company has only one class of equity share of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.
- (ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares of the company

Shareholder's Name	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Shri Rajendra Jain	369900	11.54	363400	11.34
Shri Mahendra Jain	251113	7.84	242713	7.57

(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 13		
Other Equity		
(a) General Reserve		
Balance as per Previous Year	3400.00	2900.00
Add : Transfer from Profit & Loss Account	200.00	500.00
Closing Balance (a)	3600.00	3400.00
(b) Profit & Loss Account		
Opening Balance	162.07	35.75
Add : Surplus/ (Deficit) in Statement of Profit & Loss	467.54	664.95
TOTAL	629.61	700.70
Less : Transferred to General Reserve	200.00	500.00
Less : Proposed Dividend	16.02	32.04
Less : Dividend Distribution Tax	3.29	6.59
Closing Balance (b)	410.30	162.07
(c) Capital Reserve		
Balance as per last Balance Sheet	5.01	5.01
Shares Forfeited Account	0.00	0.00
Closing Balance (c)	5.01	5.01
TOTAL (a) + (b) + (c)	4015.31	3567.08

(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 14		
Long Term Borrowings		
Term Loan		
(a) From State Bank of India	90.19	121.83
(Secured by first legal mortgage in respect of Company's fixed assets acquired out of this loan and personal guarantee of Directors. Repayable in quarterly instalments over specified period of loans. Last instalment due in March 2025)		
(b) Vehicle Loans	24.83	16.11
(Against hypothecation of vehicles acquired out of the loan. Repayable in equated monthly instalments over the period of loans)		
TOTAL	115.02	137.94
NOTE - 15		
Short Term Borrowings		
Secured		
Loans repayable on demand		
(a) From State Bank of India	1341.82	1214.14
(Secured by hypothecation 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 industrial plots of the company)		
(b) From Banks	10.15	49.43
(Overdraft against FDR)		
Unsecured		
From Axis Bank	39.70	39.92
(Simens Ltd. channel financing loan from Axis Bank)		
TOTAL	1391.67	1303.49
NOTE - 16		
Trade Payables		
Creditors - Others	1477.45	2215.55
TOTAL	1477.45	2215.55
NOTE - 17		
Other Financial Liabilities		
Current Maturities of Long Term Loans		
(a) State Bank of India	40.00	41.89
(b) State Bank of India (Vehicle Loan)	0.00	4.38
(c) Proposed Dividend	16.02	32.04
(d) Unclaimed Dividend	8.51	10.13
TOTAL	64.53	88.44
NOTE - 18		
Other Current Liabilities		
(a) Statutory Liabilities	121.88	116.10
(b) Customers Credit Balances	503.74	324.88
(c) Other Liabilities & Outstanding Expenses	241.39	224.91
(d) Payable to Directors	38.87	19.07
TOTAL	905.88	684.96
NOTE - 19		
Current Tax Liabilities		
Provision for Income Tax	150.00	200.00
Less : Advance Payment of Income Tax	141.25	151.50
TOTAL	8.75	48.50

(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 20		
Revenue from Operations		
Sales (Net of GST)	7842.99	10097.93
Job Work & Commissioning Charges	82.42	84.12
TOTAL	7925.41	10182.05
NOTE - 21		
Other Income		
Interest Received	12.98	22.46
Profit on Sales of Fixed Assets	0.98	0.66
Profit on Sales of Investments	1.43	0.00
Excess Provision of Bonus Written Off	0.00	0.65
Export Incentives Received	56.30	16.61
Miscellaneous Income	26.30	19.79
TOTAL	97.99	60.17
NOTE - 22		
Cost of Material Consumed/Sold		
Opening Stock	1156.53	1030.96
Add : Purchases	5732.94	7892.35
	6889.47	8923.31
Less : Cenvat Credit as per Transitional Provision	0.00	9.58
Less : Closing Stock	1398.45	1156.53
TOTAL	5491.02	7757.20
NOTE - 23		
Change in Inventory of Finished Goods, Work In Process and Stock in Trade		
Opening Stock	2390.91	1424.36
Less : Closing Stock	2775.93	2390.90
TOTAL	-385.02	-966.54
NOTE - 24		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus/Exgratia)	990.42	1013.14
Welfare Expenses	13.57	15.04
Security Expenses	7.99	7.69
Contribution to E.S.I.C.	8.61	7.39
Contribution to P.F.	28.05	18.46
TOTAL	1048.64	1061.72
NOTE - 25		
Other Expenses		
A. Manufacturing Expenses		
Stores, Spares Parts & Standard Item Consumed		
Opening Stock	1.32	1.16
Add : Purchases	14.20	22.26
	15.52	23.42
Less : Closing Stock	0.13	1.32
Consumed during the Year	15.39	22.10

(Amount in ₹ Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
Component Processing Charges	119.06	252.28
Power Expenses	37.51	38.40
Repair & Maintenance of Plant & Machinery	1.81	1.66
Repair & Maintenance of Building	16.87	19.95
Freight & Cartage Inward	43.17	57.79
Material Shifting & Handling Charges	15.88	59.32
Other Expenses	20.69	20.46
TOTAL (A)	270.38	471.96
B. General & Administrative Expenses		
Rent, Rates & Taxes	70.60	71.58
Charity & Donation	6.49	8.73
Computer Charges	4.38	10.25
Stationery & Printing	5.57	9.93
Telephones & Internet	14.87	13.39
Postage & Courier	4.33	2.94
Travelling & Conveyance	203.05	211.62
Legal & Professional Charges	57.81	59.23
Auditor's Remuneration	1.65	1.65
Insurance	4.97	5.27
Loss on Sale of Assets	0.00	0.07
Director's Remuneration	102.68	97.68
Contribution to P.P.F	7.44	6.91
Bonus / Ex-gratia to Directors	7.44	6.91
Other Expenses	44.55	38.25
TOTAL (B)	535.83	544.41
C. Selling & Distribution Expenses		
Sales Promotion & Entertainment	17.91	28.20
Freight & Cartage Outward	74.31	76.09
Sales Commission	32.09	84.56
Advertisement & Exhibition	20.89	48.73
Bad Debts	34.83	56.68
Late Delivery Charges	3.33	6.20
After Sales & Services	5.95	4.09
Other Expenses	1.18	2.64
TOTAL (C)	190.49	307.19
GRAND TOTAL (A+B+C)	996.70	1323.56
NOTE - 26		
Finance Cost		
On Fixed Period Loans	0.00	4.12
On Other Loans (Bank)	124.30	85.06
Interest to Others	3.44	4.19
Other Financial Charges	17.41	11.39
TOTAL	145.15	104.76

Notes forming part of Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in Lacs unless otherwise stated)

A. Corporate Information

ITL INDUSTRIES LIMITED ("the company") was incorporated in the year 1989 having its registered office 111-SECTOR-B, SANWAR ROAD, INDUSTRIAL AREA, INDORE MP is engaged in the business of Manufacturing of Band saw Machines, CNC Tube Mills, Machine tools & Sale/purchase of Hydraulic Items, etc. The company is a public limited company and its shares are listed on Bombay stock exchange (BSE).

B. Significant accounting policies

1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") notified, under section 133 of the Companies Act, 2013 ('Act') read with the rules notified under the relevant provisions of the Act.

2. Basis of Preparation

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "INR"), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest thousands of Rupees as per the requirement of Schedule III to the Act, unless stated otherwise.

3. Use of Estimates, Judgments and Assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on amount recognized in the financial statements are:

- i. Allowance for bad and doubtful trade receivable.
- ii. Recognition and measurement of provision and contingencies.
- iii. Depreciation/ Amortisation and useful lives of Property, plant and equipment / Intangible Assets.
- iv. Recognition of deferred tax.
- v. Income Taxes.
- vi. Impairment of Non-financial assets and financial assets.

4. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Inventories having value Rs. 4174.50 Lacs are hypothecated by State Bank of India for working capital.

The cost in respect of the various items of inventory is arrived at as under:

- Raw material – cost includes direct expenses and is determined on the basis of weighted average method.
- Packing material – cost includes direct expenses and is determined on the basis of weighted average method.
- Work in progress – includes cost of conversion and other costs incurred to bring the inventories in their present condition.
- Finished goods – cost includes raw material cost, other overheads incurred to bring the goods to their present location and condition. Cost of finished goods also includes taxes, wherever applicable.

5. Revenue Recognition

- a. Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers.
 - i. Revenue from the sale of goods is recognised when the control of the goods has been passed to the customer as per the terms of agreement and there is no continuing effective control or managerial involvement with the goods.
 - ii. Revenue from rendering of services is recognized when the work is performed and as per the terms of agreement.
 - iii. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.
- b. Interest income is recognized on accrual basis using the effective interest method.
- c. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.

6. Property, Plant and Equipment

a. Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

b. Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as per the provisions of Section 123 read with Schedule II Part C of the Companies Act 2013.

7. Intangible assets

a. Measurement and recognition:

Intangible assets are held at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortised on straight line basis over the useful life of asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates or when the development stage is achieved. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit and loss.

b. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit and loss.

8. Impairment of non-financial asset

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

9. Foreign Currency Transactions and Translations

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transaction takes place. Monetary assets and liabilities in foreign currency, outstanding at the close of the year are converted into Indian currency at the prevailing exchange rates on the date of balance sheet. The resultant gain or loss is charged to the statement of profit and loss.

In respect of forward exchange contracts entered into for hedging foreign currency risk for outstanding exposure, the difference between the forward rate and the exchange rate is recognized as income or expense over the life of the contract. The exchange differences arising on such contracts are recognized during the year as the income or expenses on the outstanding exposure.

10. Employee Benefits

A. Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

B. Long Term Employee Benefits

- a. Retirement benefits in the form of defined contribution plans including gratuity liability under Payment of Gratuity Act are paid & charged to the Statement of Profit and Loss for the year when contributions to the respective Funds are due, in such cases the actuarial risk and the investment risk are borne by the respective funds.
- b. Retirement benefits in the form of defined benefit plan are recognised using Projected Unit Credit Method where Current service cost, Past service cost and net interest Expense/Income is recognised in the statement of profit and loss and Gain/Loss due to actuarial risk and investment risk is charged to the other comprehensive income.

11. Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they are incurred.

The total of borrowing cost capitalised during the year was RS, 15.32 Lacs at a capitalisation rate of 10.05%.

12. Segment Accounting Policies

Based on the criteria mentioned in Ind AS 108 "Operating Segment" the company has identified its reportable segments. The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as performance indicator for all of the operating segments.

13. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

a. **Current taxes**

Provision for current tax is made after taking into consideration benefits admissible under provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognized where there is convincing evidence that the same can be realized in future.

b. **Deferred Taxes**

The deferred tax charge or credit the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future ; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is reasonable certainty of realization of such assets.

14. Provisions, contingent liabilities, and contingent assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

15. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

16. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

a. Financial Assets

Classification:

The Company shall classify financial assets and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in Statement of Profit and Loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through FVOCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Amortized Cost:

Assets that are held for contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is recognized using the effective interest rate method.

Interest income:

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Equity instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Ind AS 109 requires all investments in equity instruments and contracts on those instruments to be measured at fair value.

The Company subsequently measures all quoted equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification for fair value gains and losses to profit or loss following the de-recognition of the investment.

The Company subsequently measures all un-quoted equity investments at cost based on the requirements of Ind AS 109, where in some limited circumstances cost is a more appropriate estimate of fair value, that may be the case if insufficient more recent information is available to measure the fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of the fair value within that range.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/ loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVTPL are included in the Statement of Profit and Loss.

Debt instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables. Based on the factors, the Company classifies its debt instruments into one of the above three measurement categories.

De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- c. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- d. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance:

The Company follows general approach for recognition of impairment loss allowance for financials assets other than trade receivables. In general approach, the financial asset is divided into 3 stages and the amount of ECL is recognized depending on the stage of the financial asset into consideration.

The loss under this approach is either based on the 12 months ECL or lifetime ECL. All financial assets falling in stage 1 is performing and requires 12 months ECL, whereas financial assets in stage 2 where the credit risk has increased significantly post recognition or financial assets in stage 3 which are credit impaired a lifetime ECL is required.

b. Trade receivables:

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial Liabilities**Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised costs.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

De-recognition:

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and when the company has a legally enforceable right to set off the amount and it intends either to settle them on net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17. Cash and cash equivalents

Cash and cash Equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three or less month, which are subject to an insignificant risk of changes in value.

18. Cash Flow Statement

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

19. Earnings per share**a. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners if the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year, if any and excluding treasury shares.

b. Diluted earnings per share

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

20. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

21. Research and Development Expenses

Research and Development Revenue expenses on charged to the statement of Profit and Loss in the year of incurrence. However, Capital expenditure on Research and Development is treated in the same way as other fixed assets.

22. Investment in subsidiaries and associates

Investments in subsidiary and associate companies are carried at cost and fair value (deemed cost) as per Ind AS – 101 and 109 less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiary companies, associate companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

When the company ceases to control the investment in subsidiary or associate the said investment is carried at fair value through profit and loss in accordance with Ind AS 109 “Financial Instruments”.

(B) ADDITIONAL NOTES ON STANDALONE FINANCIAL STATEMENTS

1 Notes 1 to 26 referred herein above forms an integral part of these Standalone Ind AS Financial Statements.

2 (A) CONTINGENT LIABILITIES:**Contingent liability [to the extent not provided for]**

Central Sales Tax, 1956, matter under dispute - ₹ 98.29 Lacs (Previous year – ₹ 97.80 Lacs)

Value Added Tax, matter under dispute- ₹ 9.22 Lacs (Previous year –NIL)

Disputed Demand of Income tax- ₹ 13.52 Lacs (Previous year – ₹ 4.54 Lacs)

(B) COMMITMENTS : NIL

3 As per Ind AS 109 the long-term investments held by the company in its subsidiary and associates and in other company are to be carried at cost. All the investments of the Company have been considered by the management to be of long-term nature.

4 DEFERRED TAX LIABILITY AS PER IND AS – 12**(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Difference in Block Value of Fixed Assets as per Income Tax Act and Company Law.	359.18	378.07
Less: Deferred Tax Liability effect for unabsorbed losses	-	-
Net deferred tax Liability (a)-(b)	99.92	105.18
Less: Deferred tax Liability already provided in previous years	105.18	133.59
Deferred Tax Liability/ written back for the year	-5.26	-28.41

The income tax expense for the year can be reconciled to the accounting profit as follows: **(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Profit before tax from continuing operation	608.61	832.56
Income Tax expense calculated @ 27.82% (Previous Year 27.82%)	169.32	231.62
Effect of income that is exempt from taxation	-0.278	-0.18
Effect of expenses that are not deductible in determining taxable profits	-35.17	-38.19
Effect of concession (allowances)		
Adjustments recognized in current year in relation to the current tax of prior years	16.12	8.77
Other temporary differences		
Income tax expense recognized in profit or loss (relating to continuing operation)	150.00	200.00

Provision For Taxation

Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company (if any).

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019

The company has not migrated to the new regime of taxation.

5 AUDITOR'S REMUNERATION: (Excluding GST)**(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Statutory Audit Fees	1.35	1.35
Tax Audit	0.3	0.3
Reimbursement of Expenses	-	-
Total	1.65	1.65

6 Related Party Transactions as Per Ind AS – 24**Name of related parties:****Directors****(Amount in ₹ Lacs)**

Name of Director	Relationship	Nature of Transaction	Amount	Outstanding Amount
Shri Rajendra Singh Jain	Managing Director	Remuneration	56.19	24.43 (Cr.)
Shri Mahendra Singh Jain	Joint Managing Director	Remuneration	51.69	13.07 (Cr.)

Relative of Managerial Personnel

(Amount in ₹ Lacs)

Name	Relationship	Nature of Payment	Amount	Outstanding Amount
Ravish Jain	Managing Director's Son	Remuneration	21.00	2.49 (Cr.)
Prakhar Jain	Joint Managing Director's Son	Remuneration	21.00	0.94 (Cr.)
Manish Jain	Managing Director's Son	Remuneration	21.00	1.72 (Cr.)
Shekhar Jain	Joint Managing Director's Son	Remuneration	21.00	5.61 (Cr.)
Remswags Marketing Private Limited	Director's Relative is director	Purchase (Net)	336.61	24.89 (Dr.)
		Sales (Net)	48.16	0
		Interest Received	2.29	0
		Warehousing & Facility Charges Paid	0.60	0
Indore Tools Private Limited	Director's Relative is Director	Purchase (Net)	636.56	130.39 (Dr.)
		Rent Paid	2.40	0
		Sales (Net)	29.75	0
M.M. Metals Private Limited	Subsidiary Company	Sales of Material	63.40	0
		Warehousing & Facility Charges Paid	36.00	0
		Purchase (Net)	118.29	15.36 (Cr.)
Fillracks Technology Private Limited	Joint Managing Directors Son is Director	Purchase (Net)	19.05	3.43 (Cr.)
		Investments in Shares	3.95	0

7 BASIC AND DILUTED EPS:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Net Profit attributable to equity shareholders	467.54	664.97
Number of equity shares issued (basic)	32.04	32.04
Number of equity shares issued (weighted)	32.04	32.04
Basic and Diluted earnings per share	14.59	20.75

- 8 The inventories amounting to ₹4174.50 Lacs have been shown at cost. As per Ind AS 2 - "Valuation of Inventories", inventories should be valued at cost or net realizable value whichever is lower. Such valuation requires technical judgments and consideration of market related factors. The diminution in the valuation thereof, if any, will be accounted for in the year of realization.
- 9 Balance of Trade Receivables, Trade Payables, Trade Deposit, Loans and Advances and others are subject to respective consent, confirmation, reconciliation and consequent adjustment, if any. However, in the opinion of the management these accounts will fetch the amount as stated in the books of accounts on realization in the ordinary course of business.
- 10 There were no dues outstanding for more than 45 days to any micro, small and medium enterprises creditors. The aforesaid information has been arrived at to the extent such communication has been received from the respective parties by the company.
- 11 Additional information as required under part II of schedule III to the companies Act, 2013 is as under:
- Expenditure in foreign currency on account of Raw Material ₹ 470.22 Lacs [Previous Year ₹ 584.35 Lacs]
 - Earning in foreign currency on account of Export of goods on CIF/FOB Basis and advance from customers is ₹ 835.78 Lacs [Previous Year ₹ 777.27 Lacs]
 - Particulars of consumption of Imported and Indigenous Raw Materials:

(Amount in ₹ Lacs)

Particulars	2019-20		2018-19	
	Value	% of Total	Value	% of Total
Imported	470.22	8.56%	584.35	7.53%
Indigenous	5020.80	91.44%	7172.85	92.47%
Total	5491.02	100.00%	7757.20	100.00%

12 The Company is the parent Company of M.M. Metals Private Limited holding 52.55% (30480 shares) of its subsidiary. The relevant consolidated Ind AS financial statements are separately prepared.

13 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

14 Research and Development Expenditure Details; (Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Capital expenditure on R & D	2.84	2.44
Revenue expenditure on R & D	284.32	290.41

15 The Company has not entered into any derivative and forward contracts for the purpose of hedging foreign exchange exposures and there is no speculative transaction. The outstanding position of the Forex Exposure is as under:

A) Hedged Exposure (Amount in ₹ Lacs)

Particulars	2019-20		2018-19	
	Forex	INR (in Lacs)	Forex	INR (in Lacs)
Suppliers credit	NIL	NIL	NIL	NIL

A) Un hedged Exposure: - (Amount in ₹ Lacs)

Particulars	Forex	INR (in Lacs)	Forex	INR (in Lacs)
Suppliers Credit	3207 (USD)	2.38	8835 (USD)	6.23
	1305 (EURO)	1.13	21929232 (JPY)	140.24
Customers Debit	88488 (USD)	60.06	163303 (USD)	111.85
	1630 (EURO)	1.29	NIL	NIL

16 In Terms of IND AS 108 Segment Reporting, the company has identified following segments and details are furnished as under: (Amount in ₹ Lacs)

S.No.	Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
1	Segment Revenue:		
	Machine Manufacturing	5928.94	7820.08
	Trading Activities	2582.86	3076.14
	TOTAL	8511.80	10896.22
	Less: Inter Segment Revenue	488.40	654.00
	Net Sales	8023.40	10242.22
2	Segment Profit / (Loss) before tax:		
	Machine Manufacturing	574.81	722.48
	Trading Activities	178.95	214.87
	TOTAL	753.76	937.35
	Less: Interest	145.15	104.77
	Net Profit before tax	608.61	832.58
3	Capital Employed: {Seg Assets-Seg Liabilities}		
	Machine Manufacturing	2597.88	2300.72
	Trading Activities	1737.86	1586.81
	TOTAL	4335.74	3887.53

17 Pursuant to disclosure pertaining to Section 186(4) of the Companies Act, 2013 the following are the details thereof:

a. Loan given-outstanding as at the year-end: Nil

b. Investment Made:

The investments are classified under respective heads for purposes as mentioned in their object clause.

c. Guarantee Given and Security Provided:

During the year the company provided the Guarantee amounting to Rs. 3.82 Lacs

18 Disclosure Pursuant to Regulation 34(3) of the SEBI (LODR) Regulation 2015

a. Loans and advances in the nature of loan to subsidiary - Nil

- b. Loans and Advances in the nature of loan to Associates, Related Party and Parties where directors are interested: Nil
- c. (i) None of the Parties to whom loans were given have made investment in the shares of the Company
- (ii) The above advances fall under the category of loans, which are repayable on demand and interest has been charged on it.

19 Corporate Social Responsibility

The Expenditure incurred on corporate social responsibility (CSR) is as under:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Gross Amount required to be spent by the company	13.02	9.34
Amount Spent During the Year		
- On Construction/ Acquisition of any assets	0	0
- On Purpose other than above	6.36	5.00
Balance	6.66	4.34

20 Financial Risk Management Objective and Policies:

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

a) Market Risk

Market risk is the risk that future earnings and fair value of future cash flows of a financial instrument may fluctuate because of changes in market price. Market risk comprises of currency risk and interest risk.

i) Interest Risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the ITL Group under the framework of Risk Management Policy for interest rate risk. The Group's Central Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Company's exposure to the risk of changes in market interest rates relates primarily to the borrowing from banks. Currently company is not using any mitigating factor to cover the interest rate risk.

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Interest Rate Risk exposure	0	0
Borrowing from banks	11501579	13793797

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for borrowing at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates. If the interest rates had been 1% higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on companies profit in that financial year would have been as below:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Impact on Profit or Loss for the year decrease	1.55	1.84
Impact on Profit or Loss for the year increase	1.55	1.84

ii) Foreign currency Exchange risk

Since the Company operates internationally and portion of the business transacted are carried out in more than one currency, it is exposed to currency risks through its transactions in foreign currency or where assets or liabilities are denominated in currency other than functional currency.

The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including the use of derivatives like foreign exchange forward and option contracts to hedge exposure to foreign currency risks.

Following table analysis foreign currency assets and liabilities on balance sheet date.

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Payable in Foreign Currency	3.51	146.47
Receivable in Foreign Currency	61.35	111.85

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the various currencies if the currency rate is increased/(decreased) by 1% with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date: **(Amount in ₹ Lacs)**

Currency	Sensitivity Analysis			
	2019-20		2018-19	
	USD/EURO	USD/EURO	USD/EURO	USD/EURO
	Increase	Decrease	Increase	Decrease
Sensitivity to foreign currency risk (USD)	916.95	916.95	1721.38	1721.38
Sensitivity to foreign currency risk (EURO)	29.35	29.35	0	0
Sensitivity to foreign currency risk (JPY)	0	0	219292.32	219292.32

b) Credit risk

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Company. Financial instruments that are subject to credit risk principally consist of Loans, Trade and Other Receivables, Cash & Cash Equivalents, Investments and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits. Credit risk from balances with banks, financial institutions and investments is managed by the Company's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank Deposits are placed with banks having good reputation, good past track record and high quality credit rating.

Since the Company has a fairly diversified portfolio of receivables in terms of spread, no concentration risk is foreseen.

Trade and other receivables

To Manage trade and other receivables, the company periodically assesses the financial reliability of customers, taking in to account the financial conditions, economic trends, analysis to historical bad debts and ageing of such receivables.

The ageing analysis of the trade receivables has been considered from the date the invoice falls due

(Amount in ₹ Lacs)		
Particulars	2019-20	2018-19
Up to 6 Months	735.41	667.20
More than 6 Months	1079.61	1637.23
TOTAL	1815.02	2304.43

The following table summarizes the change in the loss allowances measured using expected credit loss

(Amount in ₹ Lacs)	
Particulars	Amount
Balance as at 1st April, 2019	0
Bad Debts Written off during the year	34.83
Provided during the year	0
Balance as at 31st March, 2020	0

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties apart from those already given in financials, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

c) Liquidity risk

Liquidity risk refers the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's objective is to provide financial resources to meet its obligations when they are due in a timely, cost effective and reliable manner without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors liquidity risk using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations.

The tables below provide details regarding contractual maturities of significant liabilities as at the end of each year end presented.

(Amount in ₹ Lacs)

Particulars	Less than 1 Year	1 to 5 Years	>5 Years	Totals
As at 31st March, 2020				
Long term borrowings	0	115.02	0	115.02
Short term borrowings	1391.67	0	0	1391.67
Trade payables	1477.45	0	0	1477.45
Other financial liabilities	64.53	0	0	64.53
Total	2933.65	115.02	0	3048.67
As at 31st March, 2019				
Long term borrowings	0	137.94	0	137.94
Short term borrowings	1303.49	0	0	1303.49
Trade payables	2215.55	0	0	2215.55
Other financial liabilities	88.44	0	0	88.44
Total	3607.48	137.94	0	3745.42

d) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020 and 31st March, 2019.

The Company monitors capital using gearing ratio, which is net debt (borrowings less cash and bank balances) divided by total equity plus net debt.

Gearing Ratio:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Debt	1506.69	1441.43
Cash and Cash Equivalent	35.3	17.12
Adjusted Net Debt	1471.39	1424.31
Total Equity	4335.74	3887.51
Net Debt to Equity Ratio	0.34	0.37

21 Financial Instruments by Category and fair value hierarchy:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

(Amount in ₹ Lacs)

As at 31 st March, 2020	Fair Value Management			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments	0	0	43.92	0	0	0
Cash and cash equivalent	0	0	35.3	0	0	0
Bank balances other than cash and cash equivalent	0	0	121.44	0	0	0
Trade Receivables	0	0	1815.02	0	0	0
Other financial assets	0	0	310.85	0	0	0
TOTAL	0	0	2326.53	0	0	0
Financial liabilities						
Borrowings	0	0	1391.67	0	0	0
Trade Payables	0	0	1477.45	0	0	0
Other financial liability	0	0	64.53	0	0	0
TOTAL	0	0	2933.65	0	0	0

As at 31 st March, 2019	Fair Value Management			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments	0	0	19.59	0	0	0
Cash and cash equivalent	0	0	17.12	0	0	0
Bank balances other than cash and cash equivalent	0	0	235.01	0	0	0
Trade Receivables	0	0	2304.43	0	0	0
Other financial assets	0	0	356.07	0	0	0
TOTAL	0	0	2932.22	0	0	0
Financial liabilities						
Borrowings	0	0	1303.49	0	0	0
Trade Payables	0	0	2215.55	0	0	0
Other financial liability	0	0	88.44	0	0	0
TOTAL	0	0	3607.48	0	0	0

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

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

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

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

22 Events after reporting date

There is no event which occurred after the Balance Sheet Date

23 According to Ind AS - 7 the desired Cash flow statement is enclosed herewith.

24 Figures are rounded off to the nearest multiple of ₹ (Rupee).

Rajendra Jain
Managing Director
DIN : 00256515

Mahendra Jain
Joint Managing Director
DIN : 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS : 8592

Date : 23rd July 2020
Place : Indore

As per report of even date attached
STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO.
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIO8312

DIRECTORS REPORT

Dear Members,

Your Directors are Pleased to present the 8th Annual Report and the Company's Audited financial statements for the Financial Year ended March 31, 2020.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31st, 2020 is Summarized Below:

(Amount in Lacs)

Particulars	2019-20	2018-19
GROSS TURNOVER	154.63	36.04
PROFIT BEFORE TAX	7.20	14.94
Less: Current Tax	0	2.90
Less Earlier year Income Tax	(0.02)	0
Less/Add: Deferred Tax Liabilities	61.71	6.49
(LOSS)/PROFIT FOR THE YEAR	(54.49)	5.55
Add: : Balance Brought Forward In Profit & Loss Account	5.55	0
BALANCE CARRIED TO BALANCE SHEET	(48.94)	5.55

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

During the year the company has achieved a turnover of ₹ 154.63Lacs as against a turnover of ₹ 36.03 Lacs registering an increase from the previous year. The performance of the company is satisfactory.

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 52.55% 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:

- In the preparation of the annual accounts, the applicable accounting Standards had been followed along with proper explanation relating to material departure;
- 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 and of the profit of the company for that period;
- 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;
- The directors had prepared the annual accounts on a going concern basis; and
- 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 2023-24.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' 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 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's & disclosures to the extent applicable to the company are as under:

- The Extracts of Annual Return as per Form no MGT-9 is annexed here with as per **Annexure – A**.
- The company has not accepted any deposit from public within the meaning of section 73 of the Companies Act, 2013.
- During the year 5 Board meetings were held.
- 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**.
- Statement of Conservation of energy, technology absorption and foreign exchange earnings is not applicable.

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

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.

Registered Office:

PLOT NO.103-B, SANWER ROAD

INDORE – 452003 (M.P.)

CIN- U02710MP1983PTC002163

PLACE: INDORE

DATE: 20/07/2020

By and on behalf of the Board

Meena Jain
(DIN00256341)

Manish Jain
(DIN00444115)

ANNEXURE –A TO THE DIRECTORS REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[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 MP 452003 IN Mobile No :- 09300055681 Email 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	Manufacturing of Machine, Machine Parts, Oil etc, Trading of Cutting Tools, Hydraulics etc.	2822	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – ITL Industries Ltd (Holding Company)
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 1/04/2019				No. of Shares held at the end of the year as on 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
A) Promoters Shareholding	27520	0	27520	47.45	27520	0	27520	47.45	0
B) Bodies Corporate	30480	0	30480	52.55	30480	0	30480	52.55	0
C) Any Other	0	0	0	-	0	0	0	0	0
Grand Total (A+B+C)	58000	0	58000	100%	58000	0	58000	100%	0

ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Meena Jain	1250	2.15%	0	1250	2.15%	0	0
2	Manish Jain	2880	4.97%	0	2880	4.97%	0	0
3	ITL Industries Ltd	12480	52.55%	0	30480	52.55%	0	0
4	Ravish Jain	2880	4.97%	0	2880	4.97%	0	0
5	Prakhar Jain	2255	3.89%	0	2255	3.89%	0	0
6	Shekhar Jain	2255	3.89%	0	2255	3.89%	0	0
7	Rajendra Jain	8000	13.79%	0	8000	13.79%	0	0
8	Mahendra Jain	8000	13.79%	0	8000	13.79%	0	0
	Total	58000	100%	0	58000	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		Shareholding at the beginning of the year (01/04/2019)		Changes during the year				Shareholding at the end of the year (31/03/2020)	
		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	2.15%	0	0	0	-	1250	2.15%
2	Manish Jain	2880	4.97%	0	0	0		2880	4.97%
	Total	4130	7.12%	0	0	0	-	4130	7.12%

iv) INDEBTEDNESS

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

(Amount in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	88.00	00.00	00.00	88.00
ii) Interest due but not paid	00.00	00.00	00.00	00.00
iii) Interest accrued but not due	00.00	00.00	00.00	00.00
Total (i+ii+iii)	88.00	00.00	00.00	88.00
Change in Indebtedness during the financial year				
Addition	305.72	00.00	00.00	305.72
Reduction	31.26	00.00	00.00	31.26
Net Change	274.46	00.00	00.00	274.46
Indebtedness at the end of the financial year				
i) Principal Amount	362.46	00.00	00.00	362.46
ii) Interest due but not paid	00.00	00.00	00.00	00.00
iii) Interest accrued but not due	00.00	00.00	00.00	00.00
Total (i+ii+iii)	362.46	00.00	00.00	362.46

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 – 452003 (M.P.)

CIN- U02710MP1983PTC002163

By Order of the Board

Meena Jain
(DIN00256341)

Manish Jain
(DIN00444115)

PLACE: INDORE

DATE: 20/07/2020



**“ANNEXURE –B” TO THE DIRECTORS REPORT
FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain 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
	Name (s) of the related party & nature of relationship	
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	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.

Sr. No.	Name(s) of the Related party and nature of relationship (a)	Duration of the contracts/ arrangements/ Transactions (c)	Nature of Contracts/ arrangements/ transactions (b)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
1	ITL Industries Ltd (Holding Company)	-	Purchases	63.40 Lacs	30-5-2019	-
		-	Warehousing & Facility Charges Recieved	36.00Lacs	30-5-2019	-
		-	Sales	118.29 Lacs	30-5-2019	-

Registered Office:

PLOT NO.103-B, SANWER ROAD
INDORE – 452003 (M.P.)
CIN- U02710MP1983PTC002163
PLACE: INDORE
DATE:20/07/2020

By Order of the Board

Meena Jain
DIN-00256341

Manish Jain
DIN-00444115

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF
M.M. METALS PVT LTD
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
OPINION**

We have audited the accompanying financial statements of **M.M. Metals Pvt Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020, and its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

EMPHASIS OF MATTERS

The Operations of the Company during the year ended 31st March 2020 were marginally affected due to Lockdown announced by the Central / State Governments in the month of March 2020 due to the outbreak of Novel Coronavirus COVID19.

Considering the restrictions in physical movement and visits to the company offices, the Company has given us access to their computer/ERP System. We were able to access the relevant data & records for our Audit purpose. Further the company has provided all other data / information / records as required by us using e-data/e-mail sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio/Video Conferencing, etc.

Due to the phase wise Lockdown imposed by Central / State Governments and the resulting travel restrictions, it was not possible for us to physically visit the Company on a regular basis and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records / documents / statements received by us through electronic media. We have also received Management Representation Letters wherever necessary. Using such techniques and relying on the inputs provided by the management, we have ensured reasonable assurance that the information / record / statements provided to us are free from material misstatement and adhere to the relevant standards.

We have carried out the Audit Process subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report and management compliance certificate but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SA'S will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31st, 2020, taken on record by the Board of Directors, none of the director is disqualified as on March 31st, 2020 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, In our Opinion and to the best of our information and according to the explanations given to us, the remuneration paid; if any by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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:
 - a. The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements.
 - b. 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.
 - c. There is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31st, 2020.

Statutory Auditors

FOR: MAHENDRA BADJATYA & CO

CHARTERED ACCOUNTANTS

ICAI FRN 001457C

CA NIRDESH BADJATYA

PARTNER

ICAI MNO 420388

ICAI UDIN 20420388AAAAIP5656

PLACE: INDORE

DATE: 20/07/2020

Annexure - A to the 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 2020, and according to information and explanations given to us, we report as under:

- (i) (a) The Company has maintained adequate records showing general particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management in a phased manner with a regular programme of verification over a period of three years. In our opinion this periodicity physical verification 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 and have been properly dealt with in the books of account.
- (c) On the basis of our examination of records of the Company, we report that, The Title Deeds, comprising all the immovable properties of land & buildings, which are free hold, are held in the name of company as at the balance sheet date. In respect of lease hold immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the company, where the Company is the lessee in the agreement.
- (ii) In our opinion, on the basis of our examination of the records of the company, the inventories and stocks lying with third parties have been physically verified by the management during the year. For stock lying with third parties at year end

written confirmation have been obtained. The material discrepancies noticed, if any, has properly been dealt with in the books of accounts.

- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Custom and any other material statutory dues, whichever is applicable to the company with the appropriate authorities during the year and no undisputed amounts were outstanding as at March 31st, 2020 for a period of more than six months, from the date they become payable.
(b) There are no dues of Income Tax, Sales tax, Service Tax, Goods & 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) In our opinion the company has not defaulted in repayments of loans or borrowings to 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.
- (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) In our opinion the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the reporting requirement of this clause is not applicable to the company.
- (xvi) 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 & CO

CHARTERED ACCOUNTANTS

ICAI FRN 001457C

CA NIRDESH BADJATYA

PARTNER

ICAI MNO 420388

ICAI UDIN 20420388AAAAIP5656

PLACE: INDORE

DATE: 20/07/2020

ANNEXURE - “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M.M. Metals Pvt Ltd** (“the Company”) as on March 31st, 2020 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls over financial reporting with reference to these financial statements.

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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, a reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020 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 & CO

CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CANIRDESH BADJATYA
PARTNER

ICAI MNO 420388
ICAI UDIN 20420388AAAIP5656

PLACE: INDORE
DATE: 20/07/2020



M.M. METALS PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Lacs)

PARTICULARS	Note	As at March 31 2020	As at March 31 2019
ASSETS			
NON CURRENT ASSETS			
Property Plant and Equipment	1	764.90	531.60
Other Non-Current Assets	2	8.54	11.17
		773.45	542.77
CURRENT ASSETS			
Inventory		1.86	0.00
Financial Assets			
Trade Receivables	3	93.03	0.00
Cash and Cash Equivalents	4	0.32	6.05
Other Current Assets	5	42.91	21.61
		138.12	27.66
TOTAL ASSETS		911.57	570.43
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	6	58.00	58.00
Preference Share Capital	7	23.00	23.00
Other Equity	8	42.74	97.23
		123.74	178.23
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	9	312.77	88.00
Other Non Current Liabilities	10	218.00	218.00
Deferred Tax Liabilities (Net)		68.21	6.49
		598.98	312.49
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	11	49.69	0.00
Trade Payables	12	59.57	0.55
Other Current Liabilities	13	79.58	79.85
Short Term Provisions	14	0.00	(0.70)
		188.85	79.70
TOTAL EQUITY AND LIABILITIES		911.57	570.43

See accompanying Notes to the Financial Statements

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By and on Behalf of the Board

Manish Jain
Director
DIN 00444115

Meena Jain
Director
DIN 00256341

Place:- Indore
Date:- 20/07/2020

As per our report of even date attached
Statutory Auditors
Mahendra Badjatya & Co
Chartered Accountants
ICAI FRN 001457C

CA Nirdesh Badjatya
Partner
ICAI MNO 420388
ICAI UDIN : 20420388AAAAIP5656

**M.M. METALS PRIVATE LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(Amount in Lacs)

PARTICULARS	Note	For the Year Ended March 31 2020	For the Year Ended March 31 2019
<u>Income</u>			
Revenue From Operations		154.59	36.00
Other Income	15	0.04	0.04
Total Income		154.63	36.04
<u>Expenses</u>			
Cost of Material Consumed	16	116.74	0.00
Finance Cost	17	7.07	9.76
Employee Benefit Expenses	18	1.90	0.00
Other Expenses	19	5.47	4.45
Depreciation & Amortization	1	16.25	6.87
Total Expenses		147.43	21.09
Profit before Exceptional Item & Tax		7.20	14.94
Tax Expenses:			
(i) Current Tax		0.00	2.90
(ii) Deferred Tax Liability		61.72	6.49
(iii) Net Tax Adjustment of earlier year		(0.02)	0.00
Profit for the Period		(54.49)	5.55
Other Comprehensive Income		0.00	0.00
Total Comprehensive Income for the Period		(54.49)	5.55
Earning per equity share:			
(i) Basic (₹)		(93.95)	9.58
(ii) Diluted (₹)		(93.95)	9.58

See accompanying Notes to the Financial Statements

20

By and on Behalf of the Board

Manish Jain
Director
DIN 00444115

Meena Jain
Director
DIN 00256341

Place:- Indore
Date:- 20/07/2020

As per our report of even date attached
Statutory Auditors
Mahendra Badjatya & Co
Chartered Accountants
ICAI FRN 001457C

CA Nirdesh Badjatya
Partner
ICAI MNO 420388

ICAI UDIN : 20420388AAAAIP5656

**M.M. METALS PRIVATE LIMITED****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON 31st MARCH, 2020****(Amount in Lacs)**

PARTICULARS	2019-20	2018-19
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	7.20	14.94
	0.00	0.00
Adjustment for :	0.00	0.00
Depreciation	16.25	6.87
Operating profit before working capital changes	23.45	21.82
Adjustment for working Capital:		
Increase in Inventory	(1.86)	0.00
Decrease in Current Liabilities	0.43	(3.29)
Increase in Trade Payables	59.02	0.00
Increase in Other Current Assets	(21.30)	(12.03)
Increase in Trade Receivable	(93.03)	0.00
Preoperative Expenses	2.62	(2.56)
Cash generated from Operations before Extraordinary Items	(30.66)	3.94
Adjustment for :		
Earlier year tax adjustment(net)	0.02	0.00
Tax Paid	0.00	(2.90)
Net Cash in flow from operating activities (A)	(30.64)	1.04
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(249.55)	(142.02)
Net Cash flow from Investing activities (B)	(249.55)	(142.02)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	0.00	57.00
Loan Taken	274.46	88.00
Net Cash flow from financing activity (C)	274.46	145.00
Net increase / decrease in cash & cash equivalents (A+B+C)	(5.72)	4.02
Opening Balance - Cash & cash equivalents	6.05	2.02
Closing Balance - Cash & cash equivalents	0.32	6.05

By and on Behalf of the Board

Manish Jain
Director
DIN 00444115

Meena Jain
Director
DIN 00256341

Place:- Indore
Date:- 20/07/2020

As per our report of even date attached

Statutory Auditors

Mahendra Badjatya & Co
Chartered Accountants
ICAI FRN 001457C

CA Nirdesh Badjatya
Partner

ICAI MNO 420388

ICAI UDIN : 20420388AAAAIP5656

M.M.METALS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2019-20

A. EQUITY SHARE CAPITAL

2019-20

(Amount in Lacs)

Balance as at March 31,2019	Changes in equity share capital during the year	Balance as at March 31,2020
58.00	0.00	58.00

2018-19

Balance as at March 31,2018	Changes in equity share capital during the year	Balance as at March 31,2019
24.00	34.00	58.00

B. OTHER EQUITY

2019-20

Particulars	Reserve and Surplus				Total
	Asset Revaluation Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
Balance as at March 31,2019	91.68	0.00	0.00	5.55	97.23
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balances at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) for the Year	-	-	-	-54.49	-54.49
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income/(Loss) for the Year	-	-	-	-54.49	-54.49
Transactions with owners in capacity as owners					
Dividends	-	-	-	-	0
Bonus Shares	-	-	-	-	0
Movement during the year	0	-	-	-	0
Balance as at March 31,2020	91.68	0.00	0.00	-48.94	42.74

2018-19

Particulars	Reserve and Surplus				Total
	Asset Revaluation Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
Balance as at March 31,2018	0.00	0.00	0.00	0.00	0.0
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balances at the beginning of the reporting period	0.00	0.00	0.00	0.00	0.0
Profit/(Loss) for the Year	-	-	-	5.55	5.55
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income/(Loss) for the Year	-	-	-	5.55	5.55
Transactions with owners in capacity as owners					
Dividends	-	-	-	-	0.00
Bonus Shares	-	-	-	-	0.00
Movement during the year	91.68	-	-	-	91.68
Balance as at March 31,2019	91.68	0.00	0.00	5.55	97.23

**NOTE - 1****PROPERTY, PLANT & EQUIPMENT**

(Amount in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01-04-2019	Additions	Deductions	Balance as at 31-03-2020	Balance as at 01-04-2019	FOR THE YEAR	Deduction & Adjustment	TOTAL DEPRECIATION	AS AT 31-03-2020	AS AT 31-03-2019
TANGIBLE ASSETS										
Land										
Leasehold Industrial land and site development	211.68	0.00	0.00	211.68	0.00	0.00	0.00	0.00	211.68	211.68
Building					0.00					0.00
Factory Building and shed	274.58	0.00	0.00	274.58	5.50	8.70	0.00	14.21	260.38	269.08
Plant and Machinery	0.00	0.00	0.00		0.00					0.00
Plant, Machinery and electrical installation	1.30	249.55	0.00	250.85	0.08	4.32	0.00	4.41	246.44	1.22
Other Equipments	0.00	0.00	0.00		0.00					0.00
Electrical Equipments	10.41	0.00	0.00	10.41	0.00	0.66	0.00	0.66	9.75	10.41
Other Equipments, Tools & Fixtures	40.50	0.00	0.00	40.50	1.29	2.56	0.00	3.85	36.65	39.21
Capital work in progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	538.48	249.55	0.00	788.03	6.87	16.25	0.00	23.12	764.90	531.60
Previous Year	223.77	585.82	271.12	538.48	0.00	6.87	0.00	6.87	531.60	223.77

NOTE - 2**OTHER NON CURRENT ASSETS**

PARTICULARS	As at March 31 2020	As at March 31 2019
Pre-Operative Expenses	7.87	10.49
Security Deposits (MPEB)	0.68	0.68
Total	8.54	11.17

NOTE - 3**TRADE RECEIVABLES**

PARTICULARS	As at March 31 2020	As at March 31 2019
(Unsecured, considered good, unless otherwise stated)		
Over Due for More than Six Months	0.00	0.00
Others		
Related Parties	92.68	0.00
Other than Related Parties	0.35	0.00
Total ₹	93.03	0.00

NOTE - 4**CASH AND CASH EQUIVALENTS**

PARTICULARS	As at March 31 2020	As at March 31 2019
Balances with Schedule Banks		
In Current Accounts	0.20	0.20
Cash on Hand	0.12	0.18
Bank Balance (CC Limit)	0.00	5.66
Total ₹	0.32	6.05

**NOTE - 5**

(Amount in Lacs)

OTHER CURRENT ASSETS

PARTICULARS	As at March 31 2020	As at March 31 2019
Advance against Capital Goods	0.00	18.65
Prepaid Expenses	0.27	0.04
GST Receivable	38.06	2.92
Advance Income Tax	0.25	0.00
TDS Receivable	3.60	0.00
Income Tax Refundable	0.72	0.00
Total ₹	42.91	21.61

NOTE - 6**EQUITY SHARE CAPITAL**

(Amount & Numbers in Lacs)

PARTICULARS	2019-20		2018-19	
	Number	₹	Number	₹
AUTHORISED				
Equity Shares of ₹ 100/- each carrying voting rights	1.00	100.00	1.00	100.00
Total ₹	1.00	100.00	1.00	100.00
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 100/- each carrying voting rights fully paid up	0.58	58.00	0.58	58.00
Total ₹	0.58	58.00	0.58	58.00

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	2019-20		2018-19	
	Number	₹	Number	₹
Outstanding at the beginning of the year	0.58	58.00	0.24	24.00
Issued during the year	0.00	0.00	0.34	34.00
Bought back during the year	0.00	0.00	0.00	0.00
Outstanding at the end of the year	0.58	58.00	0.58	58.00

b) Terms / Rights attached to Equity Shares

(i) The company has only one class of Equity shares, each Equity share is entitled for one vote.

(ii) Out of the above, 30480 Equity shares of ₹100 each are held by ITL Industries Limited, being holding company.

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

Name of Shareholders	As at 31 March, 2020		As at 31 March, 2019	
	Number	% of Holding	Number	% of Holding
ITL Industries Limited (Holding company)	0.30	52.55%	0.30	52.55%
Smt. Meena Jain	0.01	2.15%	0.01	2.15%
Shri Manish Jain	0.03	4.97%	0.03	4.97%
Shri Ravish Jain	0.03	4.97%	0.03	4.97%
Shri Prakhhar Jain	0.02	3.89%	0.02	3.89%
Shri Shekhar Jain	0.02	3.89%	0.02	3.89%
Shri Rajendra Jain	0.08	13.79%	0.08	13.79%
Shri Mahendra Jain	0.08	13.79%	0.08	13.79%
Total	0.58	100.00	0.58	100.00

**NOTE - 7****PREFERENCE SHARE CAPITAL**

(Amount in Lacs)

PARTICULARS	As at March 31 2019	As at March 31 2018
5% Redeemable Cumulative Preference Share (23000 Preference Share of Rs. 100 each.)	23.00	23.00
Total ₹	23.00	23.00

NOTE - 8**OTHER EQUITY**

(Amount in Lacs)

PARTICULARS	As at March 31 2019	As at March 31 2018
Assets Revaluation Reserve	91.68	91.68
	91.68	91.68
Profit & Loss Account		
Opening Balance	5.55	0.00
Add: Surplus During the Year	(54.49)	5.55
	(48.94)	5.55
Total	42.74	97.23

NOTE - 9**BORROWINGS (Non Current)**

(Amount in Lacs)

PARTICULARS	As at March 31 2020	As at March 31 2019
Secured Loans		
Bank of Baroda- Term Loan (Repayable in 24 quarterly instalments) (against future and current assets & equitable mortgage of land and factory building situated at Plot No 103-B, Industrial Area, Sanwer Road, Village - Sukhliya Indore (M.P.)	0.00	88.00
Kotak Mahindra Bank - Term Loan - I (Repayable in 60 EMI's) (against future and current assets & equitable mortgage of land and factory building situated at Plot No 103-B, Industrial Area, Sanwer Road, Village - Sukhliya Indore (M.P.)	75.82	0.00
Kotak Mahindra Bank - Term Loan - I (Repayable in 83 EMI's) (against future and current assets & equitable mortgage of land and factory building situated at Plot No 103-B, Industrial Area, Sanwer Road, Village - Sukhliya Indore (M.P.)	236.95	0.00
Total	312.77	88.00

NOTE - 10**OTHER NON-CURRENT LIABILITIES**

PARTICULARS	As at March 31 2020	As at March 31 2019
Advance from Related Party (For Infrastructure Facility)	200.00	200.00
Security Deposits (Related Party)	18.00	18.00
Total	218.00	218.00

**NOTE - 11**

(Amount in Lacs)

BORROWINGS (Current)

PARTICULARS	As at March 31 2020	As at March 31 2019
Kotak Mahindra Bank Ltd (CC Limit) (against future and current assets & equitable mortgage of land and factory building situated at Plot No 103-B, Industrial Area, Sanwer Road, Village - Sukhliya Indore (M.P.)	49.69	0.00
Total	49.69	0.00

NOTE - 12**TRADE PAYABLES**

(Amount in Lacs)

PARTICULARS	As at March 31 2020	As at March 31 2019
Creditors for Goods		
Related Parties	59.35	0.00
Others	0.00	0.00
Outstanding liability for Expenses		
Statutory	0.12	0.12
General	0.00	0.36
Related Parties	0.00	0.00
Others	0.11	0.07
Total ₹	59.57	0.55

NOTE: 13**OTHER CURRENT LIABILITIES**

PARTICULARS	As at March 31 2020	As at March 31 2019
Advance from Related party	77.32	73.70
Directors Sitting Fees Payable	2.16	1.08
Audit Fees Payable	0.10	0.05
Creditors for capital goods	0.00	4.29
Interest Payable on Term Loan	0.00	0.74
Total	79.58	79.85

NOTE - 14**PROVISIONS**

PARTICULARS	As at March 31 2020	As at March 31 2019
Provision for Income Tax (MAT)	0.00	2.90
Less: TDS Receivable	0.00	3.60
Less: Advance Income Tax	0.00	0.00
Total	0.00	(0.70)

NOTE: 15**OTHER INCOME**

PARTICULARS	For the Year Ended March 31 2020	For the Year Ended March 31 2019
Interest on Security Deposit (M.P.E.B)	0.04	0.04
Discount Received	0.00	0.00
Total	0.04	0.04

**NOTE: 16****COST OF MATERIAL CONSUMED****(Amount in Lacs)**

PARTICULARS	For the Year Ended March 31 2020	For the Year Ended March 31 2019
Opening Stock	0.00	0.00
Purchases	118.60	0.00
Less : Closing Stock	-1.86	0.00
TOTAL	116.74	0.00

NOTE: 17**FINANCE COST**

PARTICULARS	For the Year Ended March 31 2020	For the Year Ended March 31 2019
Interest to Bank	7.06	7.25
Bank Charges	0.02	2.47
Interest on TDS	0.00	0.04
Total	7.07	9.76

NOTE: 18**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	For the Year Ended March 31 2020	For the Year Ended March 31 2019
Salary & Wages	1.90	0.00
Total	1.90	0.00

NOTE: 19**OTHER EXPENSES**

PARTICULARS	For the Year Ended March 31 2020	For the Year Ended March 31 2019
Audit Fees	0.10	0.05
Director's Sitting Fees	1.20	1.20
Freight Inwards	0.003	0.00
Insurance	0.10	0.01
Legal & Professional Fees	0.37	0.53
Pre Operative Expenses Written off	2.62	2.62
Printing & Stationery	0.01	0.00
Property Tax & Lease Rent	0.74	0.00
Repair & Maintanance Expenses	0.22	0.00
ROC Challan Expenses	0.06	0.00
Office Expenses	0.05	0.01
Late fees on GST	0.01	0.03
Total	5.47	4.45

Notes forming part of Financial Statements for the year ended 31st March 2020

Note: 20

A. Corporate Information

M.M. Metals Pvt. Ltd. (the 'Company') is a private limited Company having its registered office situated at 103-Sector B, Industrial Area Sanwar Road, Indore 452015 (M.P.).

B. Significant accounting policies

1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") notified, under section 133 of the Companies Act, 2013 ('Act') read with the rules notified under the relevant provisions of the Act.

2. Basis of Preparation

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "INR"), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest thousands of Rupees as per the requirement of Schedule III to the Act, unless stated otherwise.

3. Use of Estimates, Judgments and Assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on amount recognized in the financial statements are:

- i. Allowance for bad and doubtful trade receivable.
- ii. Recognition and measurement of provision and contingencies.
- iii. Depreciation/ Amortisation and useful lives of Property, plant and equipment / Intangible Assets.
- iv. Recognition of deferred tax.
- v. Income Taxes.
- vi. Impairment of Non-financial assets and financial assets.

4. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

5. Revenue Recognition

- a. Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers.
 - i. Revenue from the sale of goods is recognised when the control of the goods has been passed to the customer as per the terms of agreement and there is no continuing effective control or managerial involvement with the goods.
 - ii. Revenue from rendering of services is recognized when the work is performed and as per the terms of agreement.
 - iii. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.
- b. Interest income is recognized on accrual basis using the effective interest method.
- c. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.

6. Property, Plant and Equipment

a. Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

b. Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as per the provisions of Section 123 read with Schedule II Part C of the Companies Act 2013.

7. Impairment of non-financial asset

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

8. Employee Benefits

A. Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

B. Long Term Employee Benefits

- a. Retirement benefits in the form of defined contribution plans including gratuity liability under Payment of Gratuity Act are paid & charged to the Statement of Profit and Loss for the year when contributions to the respective Funds are due, in such cases the actuarial risk and the investment risk are borne by the respective funds.
- b. Retirement benefits in the form of defined benefit plan are recognised using Projected Unit Credit Method where Current service cost, Past service cost and net interest Expense/Income is recognised in the statement of profit and loss and Gain/Loss due to actuarial risk and investment risk is charged to the other comprehensive income.

9. Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they are incurred.

10. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

a. Current taxes

Provision for current tax is made after taking into consideration benefits admissible under provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognized where there is convincing evidence that the same can be realized in future.

b. Deferred Taxes

The deferred tax charge or credit the corresponding deferred tax liabilities or assets are recognized using the tax rates that

have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is reasonable certainty of realization of such assets.

11. Provisions, contingent liabilities, and contingent assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

12. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

13. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

a. Financial Assets

Classification:

The Company shall classify financial assets and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in Statement of Profit and Loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through FVOCI, except for the recognition of

impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Amortized Cost:

Assets that are held for contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is recognized using the effective interest rate method.

Interest income:

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Equity instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Ind AS 109 requires all investments in equity instruments and contracts on those instruments to be measured at fair value.

The Company subsequently measures all quoted equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification for fair value gains and losses to profit or loss following the de-recognition of the investment.

The Company subsequently measures all un-quoted equity investments at cost based on the requirements of Ind AS 109, where in some limited circumstances cost is a more appropriate estimate of fair value, that may be the case if insufficient more recent information is available to measure the fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of the fair value within that range.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/ loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVTPL are included in the Statement of Profit and Loss.

Debt instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables. Based on the factors, the Company classifies its debt instruments into one of the above three measurement categories.

De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- c. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- d. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance:

The Company follows general approach for recognition of impairment loss allowance for financials assets other than trade receivables. In general approach, the financial asset is divided into 3 stages and the amount of ECL is recognized depending on the stage of the financial asset into consideration.

The loss under this approach is either based on the 12 months ECL or lifetime ECL. All financial assets falling in stage 1 is performing and requires 12 months ECL, whereas financial assets in stage 2 where the credit risk has increased significantly post recognition or financial assets in stage 3 which are credit impaired a lifetime ECL is required.

b. Trade receivables:

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial Liabilities**Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised costs.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

De-recognition:

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and when the company has a legally enforceable right to set off the amount and it intends either to settle them on net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

14. Cash and cash equivalents

Cash and cash Equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three or less month, which are subject to an insignificant risk of changes in value.

15. Cash Flow Statement

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

16. Earnings per share**a. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners if the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year, if any and excluding treasury shares.

b. Diluted earnings per share

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

17. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**20(B) ADDITIONAL NOTES ON FINANCIAL STATEMENTS**

Notes 1 to 20 referred herein above forms an integral part of these Ind AS Financial Statements.

1. CONTINGENT LIABILITIES & COMMITMENTS: Nil**2. Tax expenses as per IND AS 12:****a. Deferred Tax:****(Amount in Lacs)**

Particulars	2019-20	2018-19
Difference in Block Value of Fixed Assets as per Income Tax Act and Company Law.	271.00	24.96
Deferred tax Liability	68.21	6.49
Less: Deferred tax Liability already provided in previous years	6.49	0
Deferred Tax Liability/ written back for the year	61.72	6.49

b. The income tax expense for the year can be reconciled to the accounting profit as follows :**(Amount in Lacs)**

Particulars	2019-20	2018-19
Profit before tax	7.20	14.94
Tax rate	25.17%	26.00%
Income tax expense calculated	1.81	2.90
Other differences*	59.88	3.59
Income tax expense recognised in profit or loss	61.69	6.49

* Effect of exempt, non deductible and concession (allowances), etc.

c. Provision For Taxation

Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company, if any.

d. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019

The company has migrated to the new tax regime.

3. AUDITOR'S REMUNERATION: (Excluding GST)**(Amount in Lacs)**

Particulars	2019-20	2018-19
Statutory Audit Fees	0.10	0.05
Tax Audit	-	-
Total	0.10	0.05

4. Related Party Transactions as Per Ind AS – 24

Name of Related Parties	Nature of Transaction	Amount	OUTSTANDING AMOUNT
ITL INDUSTRIES LTD.	Purchases	63.40	15.36(Dr.)
	Warehousing & Facility Charges received	36.00	
	Sales	118.29	

5. BASIC AND DILUTED EPS AS PER IND AS 33:**(Amount in Lacs)**

Particulars	2019-20	2018-19
Net (Loss)/Profit attributable to equity shareholders	(54.49)	5.55
Number of equity shares issued (basic) (in Lacs)	0.58	0.58
Basic and Diluted earnings per share	(93.95)	9.58

6. Risk Management

The company does not envisage any market risk, currency risk, interest rate risk, price risk, liquidity risk and credit risk. The Company's senior management has the responsibility for establishing and governing the Company's overall risk management framework, wherever applicable.

7. Events after reporting date

There have been no events after the reporting date that require adjustment/ disclosure in these financial statements.

8. As per the information on records, the company does not have any overdue outstanding to micro and small-scale industrial enterprises under MSMED Act, 2006.

9. Balance of Loans and Advances and others are subject to respective consent, confirmation, reconciliation and consequent adjustment, if any.

10. Previous year's figures have been regrouped, rearranged, and recast wherever necessary.

11. Figures are rounded off to the nearest multiple of ₹ (Rupee).

By and on Behalf of the Board

Manish Jain
Director
DIN 00444115

Meena Jain
Director
DIN 00256341

Place:- Indore

Date:- 20/07/2020

As per our report of even date attached
Statutory Auditors
Mahendra Badjatya & Co
Chartered Accountants
ICAI FRN 001457C

CA Nirdesh Badjatya
Partner
ICAI MNO 420388
ICAI UDIN 20420388AAAAIP5656

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****ITL INDUSTRIES LIMITED****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****OPINION**

We have audited the accompanying Consolidated Financial Statements of **ITL Industries LIMITED** ("the holding Company") and its subsidiary and associate (collectively referred to as "the Group"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2020, its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTERS

The Operations of the Company during the year ended 31st March 2020 were marginally affected due to Lockdown announced by the Central / State Governments in the month of March 2020 due to the outbreak of Novel Coronavirus COVID19.

Considering the restrictions in physical movement and visits to the company offices, the Company has given us access to their computer/ERP System. We were able to access the relevant data & records for our Audit purpose. Further the company has provided all other data / information / records as required by us using e-data/ e-mail sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio/Video Conferencing, etc.

Due to the phase wise Lockdown imposed by Central / State Governments and the resulting travel restrictions, it was not possible for us to physically visit the Company on a regular basis and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records / documents / statements received by us through electronic media. We have also received Management Representation Letters wherever necessary. Using such techniques and relying on the inputs provided by the management, we have ensured reasonable assurance that the information / record / statements provided to us are free from material misstatement and adhere to the relevant standards.

We have carried out the Audit Process subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Principal Audit Procedures/ Auditor's Response:
1.	Appropriateness of Current / Non-current classification	<p>For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.</p> <p>The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's best estimate of the period in which the assets would be realised, or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.</p>
2.	Non-responses of external confirmations request perpetrated pursuant to SA 505 COVID-19 has impacted the procedure of external confirmation request by management to vendors and customers. Postal facilities were not available in the near end of the financial year. To combat this, the management had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated. In such events, SA also directs the auditors to perform alternative audit procedures.	<p>In the absence of related confirmations, we performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the books of accounts.</p>
3.	Evaluation of pending tax litigations The Company has pending litigation for demand in dispute under various tax statutes which involves significant judgment to determine the possible outcome of these disputes.	<p>We have obtained details of tax litigations under various statutes for the year ended 31st March 2020 from the management.</p> <p>We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters.</p> <p>We have also reviewed the assumptions made by the management as at 31st March 2019 and evaluated whether any change was required on account of information and updates made available during the year.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, based on our audit, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 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 as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 as at 31st March 2020 on its financial position in its Consolidated Financial Statements – Refer Note 27(B)(2)(A) to the Consolidated Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER

ICAI MNO 420388

ICAI UDIN: 20420388AAAAIP5656

PLACE: INDORE

DATE: 23/07/2020

Annexure – “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the members of ITL INDUSTRIES LIMITED on the Consolidated financial statements for the year ended 31st March, 2020)

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 Limited** (hereinafter referred to as “the Parent”) and its subsidiary and associate company which are incorporated in India as of 31st March 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The 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.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 WITH REFERENCE TO FINANCIAL STATEMENTS

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 WITH REFERENCE TO FINANCIAL STATEMENTS

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 2020, 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 issued by ICAI.

**STATUTORY AUDITORS
FOR MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C**

**CA NIRDESH BADJATYA
PARTNER**

ICAI MNO 420388

ICAI UDIN: 20420388AAAIP5656

PLACE: INDORE

DATE: 23/07/2020



ITL INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Lacs)

PARTICULARS	Notes	As at 31.03.2020	As at 31.03.2019
ASSETS			
NON-CURRENT ASSETS			
Property Plant & Equipment	1	1584.27	1412.98
Capital Work in Progress		317.43	302.11
Intangible Assets	1	75.39	64.82
Investment in Subsidiary and Associates	2	75.75	74.67
Financial Assets			
Investments	2	33.68	33.68
Other Non Current Assets	3	35.73	38.30
Total Non Current Assets		2122.25	1926.56
Current Assets			
Inventories	4	4176.36	3548.76
Financial Assets			
Investments	5	43.92	19.59
Trade Receivables	6	1815.37	2304.43
Cash & Cash Equivalents	7	35.62	23.17
Other Balances with Banks	8	121.44	235.01
Loans & Advances	9	326.21	282.37
Other Current Assets	10	351.03	390.91
Total Current Assets		6869.95	6804.24
TOTAL ASSETS		8992.20	8730.80
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	320.43	320.43
Other Equity	13	4118.98	3698.29
		4439.41	4018.72
Non-Controlling Interest		1.66	27.52
Total Equity		4441.07	4046.24
Non Current Liabilities			
Financial Liabilities			
Long Term Borrowings	14	427.79	225.94
Deferred Tax Liabilities		168.13	111.67
Total Non-Current Liabilities		595.92	337.61
Current Liabilities			
Financial Liabilities			
Short Term Borrowings	15	1441.36	1303.50
Trade Payables	16	1536.79	2219.84
Other Financial Liabilities	17	64.53	89.18
Other Current Liabilities	18	908.37	686.64
Other Tax Liabilities (Net)	19	4.17	47.80
Total Current Liabilities		3955.21	4346.96
TOTAL EQUITY AND LIABILITIES		8992.20	8730.80

See accompanying notes to the financial statements

27

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS: 8592

Date : 23rd July 2020
Place : Indore

As Per our report of even date attached
STATUTORY AUDITORS
For MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIP5656



ITL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Lacs)

PARTICULARS	Notes	For The Year 2019-20	For The Year 2018-19
A Income			
Revenue from Operations	20	7925.71	10182.05
Other Income	21	98.03	60.20
Total Revenue		8023.74	10242.25
B Expenses			
(a) Cost of Material Consumed	22	5489.47	7757.20
(b) Changes in inventories of Finished Goods, Work in Process and Stock in Trade	23	-385.02	-966.54
(c) Employee Benefits Expenses	24	1050.54	1061.73
(d) Other Expenses	25	966.17	1292.02
(e) Interest and Financial Overheads	26	152.22	114.51
(f) Depreciation and Amortisation	1	134.55	135.84
Total Expenses		7407.93	9394.77
Profit Before Exceptional Items and Tax		615.81	847.48
Tax Expenses			
(a) Current Tax Expenses		150.00	202.90
(b) Tax Expenses of Previous Years		-3.70	-3.98
(c) Deferred tax		56.46	-21.92
		202.76	177.00
Profit for the year for Continued Operations		413.05	670.48
Share in Profit of Associates		1.08	1.00
Consolidated Profit for the Year		414.13	671.48
EPS in ₹ (basic and Diluted)		12.93	20.96

See accompanying notes to the financial statements

27

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS: 8592

Date : 23rd July 2020
Place : Indore

As Per our report of even date attached
STATUTORY AUDITORS
For **MAHENDRA BADJATYA & CO**
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIP5656



ITL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH, 2020

A) EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	2019-20	2018-19
Balance at the beginning of the reporting year	320.43	320.43
Changes in Equity Share capital during the year	0.00	0.00
Balance at the end of the reporting year	320.43	320.43

B) OTHER EQUITY

2019-20

Particulars	Reserve and Surplus					Total
	General Reserve	Retained Earnings	Assets Revaluation Reserve	Security Premium Reserve	Capital Reserve	
Balance as at March 31,2019	3400.00	172.80	91.68	16.43	17.37	3698.28
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balances at the beginning of the reporting period	3400.00	167.62	91.68	16.43	17.37	3693.11
Profit/(Loss) for the Year	200.00	439.99	-	-	-	639.99
Share in Revenue Profit of associates	-	5.20	-	-	-	5.20
Other Comprehensive Income for the Year	-	-	-	-	-	-
Total Comprehensive Income/(Loss) for the Year	-	612.81	-	-	-	612.81
Transactions with owners in capacity as owners						
Proposed Dividends	-	-16.02	-	-	-	-16.02
Dividend Distribution Tax	-	-3.29	-	-	-	-3.29
Movement during the year	-	-200.00	-	-	-	-200.00
Balance as at March 31,2020	3600.00	393.50	91.68	16.43	17.37	4118.98

2018-19

Particulars	Reserve and Surplus					Total
	General Reserve	Retained Earnings	Assets Revaluation Reserve	Security Premium Reserve	Capital Reserve	
Balance as at March 31,2018	2900.00	35.75	0.00	16.43	17.37	2969.55
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balances at the beginning of the reporting period	2900.00	35.75	0.00	16.43	17.37	2969.55
Profit/(Loss) for the Year	500.00	671.48	-	-	-	1171.48
Share in Revenue Profit of associates	-	4.20	-	-	-	4.20
Other Comprehensive Income for the Year	-	-	-	-	-	-
Total Comprehensive Income/(Loss) for the Year	-	711.43	-	-	-	711.43
Transactions with owners in capacity as owners						
Dividends	-	-32.04	-	-	-	-32.04
Dividend Distribution Tax	-	-6.59	-	-	-	-6.59
Movement during the year	-	-500.00	91.68	-	-	-408.32
Balance as at March 31,2019	3400.00	172.80	91.68	16.43	17.37	3698.28

By and on behalf of the Board

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS: 8592

Date : 23rd July 2020

Place : Indore

As Per our report of even date attached
STATUTORY AUDITORS
For MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER

ICAI MNO 420388

ICAI UDIN: 20420388AAAAIP5656



ITL INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020 (₹ in Lacs)

Particulars	2019-20	2018-19
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	615.81	847.48
Extra Ordinary Items :		
Pre operative Expenses	2.62	0.00
Adjustment to reconcile net profit to cash provided by operating activities:		
Depreciation	134.55	135.84
Changes in assets and liabilities		
Inventories	-627.62	-1092.26
Trade receivables and unbilled revenues	396.39	-178.94
Other Current Assets	37.89	-195.22
Other Financial Assets	45.22	185.78
Current Liabilities & Provisions	-459.70	527.16
Cash Generated from operations	145.16	229.84
Direct Tax Paid (Net)	-213.28	-198.92
Cash Flow before extra ordinary adjustments	-68.12	30.91
Extra Ordinary Items :		
Loss / Profit on Sale of Investment	1.43	0.00
Loss / Profit on Sale of Fixed Assets	0.98	-0.59
Equity Shares Forfeited	0.00	0.00
Pre operative Expenses	-2.62	-2.56
Net Cash Generated by Operating Activities	-68.34	27.76
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	-328.88	-302.10
Investment made during the year	-24.33	-67.97
Net Cash Used in Investing Activities	-353.21	-370.08
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long Term Borrowings (Net)	201.85	16.14
Proceeds from Short Term Borrowings	137.88	380.09
Dividend / Corporate Dividend Tax paid	-19.31	-38.63
Issue of Share Capital	0.00	57.00
Net Cash Used in Financing Activities	320.42	414.60
Net increase in cash and cash equivalents	-101.12	72.29
Opening Balance of Cash and cash equivalents	258.18	185.89
Closing Balance of Cash and cash equivalents	157.06	258.18

Notes to the Statement of Cash Flow :

- i Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents as per Balance Sheet (Refer note 7&8)	157.06	258.18

- ii The Statement of Cash Flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flow'.
- iii As per the amendment in Ind AS 7 'Statement of Cash Flow': Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	As at 31 st March, 2019	Cash Flows	Non-cash changes		As at 31 st March, 2020
			Exchange rate difference adjustments	Amortisation of ancillary cost of borrowing	
Long Term Borrowings (Refer note 14)	225.94	201.85	0.00	0.00	427.79
Short Term Borrowings (Refer note 15)	1303.50	137.88	0.00	0.00	1441.38
Total	1529.43	339.73	0.00	0.00	1869.16

The accompanying notes are an integral part of these financial statements.

By and on behalf of the Board

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

Ashok Ajmera
Chief Financial Officer

Akhilesh Gautam
Company Secretary
FCS: 8592

Date : 23rd July 2020
Place : Indore

As Per our report of even date attached
STATUTORY AUDITORS
For MAHENDRA BADJATYA & CO
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIP5656

**ITL INDUSTRIES LIMITED****NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020****NOTE - 1****(Amount in Lacs)****PROPERTY, PLANT & EQUIPMENT**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2019	Additions During the Year	Deductions During the Year	Balance as at 31.3.2020	Balance as at 1.4.2019	Depreciation	Deduction / Adjustment	Balance as at 31.3.2020	Balance as at 31.3.2020	Balance as at 31.3.2019
TANGIBLE ASSETS										
Leasehold Industrial Land Land	246.76	0.00	0.00	246.76	0.00	0.00	0.00	0.00	246.76	246.76
Site Development	1.50	0.00	0.00	1.50	0.65	0.05	0.00	0.69	0.81	0.85
Factory Building and Shed	806.64	1.95	0.00	808.59	166.06	23.63	0.00	189.69	618.91	640.59
Plant & Machinery	468.26	259.11	0.00	727.37	304.99	29.48	0.00	334.47	392.90	163.27
Other Equipments	242.12	0.47	0.00	242.59	116.23	12.41	0.00	128.64	113.95	125.89
Electrical Equipment	15.35	0.00	0.00	15.35	4.56	0.69	0.00	5.25	10.11	10.79
Office Equipments	99.60	3.52	0.00	103.13	61.80	7.14	0.00	68.94	34.19	37.80
Furniture & Fixture	213.48	3.48	0.26	216.70	128.94	14.01	0.26	142.69	74.01	84.54
Computer	100.69	2.49	0.00	103.18	68.98	16.61	0.00	85.58	17.60	31.72
Vehicles	146.92	19.62	3.70	162.83	76.33	15.20	3.61	87.92	74.91	70.59
Cycle & Handcart	0.75	0.00	0.00	0.75	0.57	0.04	0.00	0.61	0.14	0.18
TOTAL (A)	2342.08	290.64	3.96	2628.76	929.11	119.25	3.87	1044.48	1584.28	1412.97
(B) INTANGIBLE ASSETS										
Software	238.77	25.86	0.00	264.63	173.94	15.30	0.00	189.24	75.39	64.82
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (B)	238.77	25.86	0.00	264.63	173.94	15.30	0.00	189.24	75.39	64.82
TOTAL (A) + (B)	2580.85	316.50	3.96	2893.39	1103.05	134.54	3.87	1233.72	1659.66	1477.80
Previous year	2141.25	728.79	289.20	2580.85	984.01	135.83	16.79	1103.05	1477.80	

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 2		
Investments		
- In Associates Company		
M/s Luhadiya Sons Pvt. Ltd.		
294690 (Previous year 294690) Equity Shares of Rs. 10 each		
Share in Net Assets	29.68	29.68
Add : Goodwill / (Capital Reserve) on consolidation	23.36	23.36
Equity Investment in Associate at cost	53.04	53.04
Add : Share in Profit / Reserves of Associates	22.71	21.63
TOTAL	75.75	74.67
- In Related Party		
M/s Indore Tools Pvt. Ltd.		
568400 (Previous year 568400) Equity Shares of Rs. 10 each		
Add : Goodwill / (Capital Reserve) on consolidation	0.00	0.00
TOTAL	25.73	25.73
- In Other Company		
M/s Dimart Engineering P.Ltd.		
64000 (Previous year 64000) Equity Shares of Rs. 10 each	4.00	4.00
M/s Fillracks Technoloy Pvt. Ltd.		
3950 (Previous year NIL) Equity Shares of Rs. 100 each	3.95	0.00
Share Application Money - Fillracks Technoloy Pvt. Ltd.	0.00	3.95
TOTAL	7.95	7.95
GRAND TOTAL	109.44	108.36



(Amount in Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 3		
Other Non Current Assets		
Unsecured, Considered Good		
(a) Loans and Advances to Related Parties	0.00	0.00
(b) Security Deposit	27.87	27.81
(c) Pre Operative Expenses	7.86	10.49
TOTAL	35.73	38.30
NOTE - 4		
Inventories (Valued at lower of cost or net realisable value)		
(As taken, valued and certified by management)		
(a) Raw Materials & Bought Out Components	1400.31	1156.53
(b) Stock of Trading Goods	1807.09	1100.63
(c) Finished Products	64.39	68.26
(d) Work in Process & Semi Finished Goods	904.45	1222.02
(e) Stores, Spare Parts & Standard Items	0.13	1.31
TOTAL	4176.36	3548.76
NOTE - 5		
Short Term Investment		
(a) Quoted but not Listed - Current Investments - Mutual Funds	15.00	16.00
(b) Quoted and Listed - Equity Shares of Various Companies	3.59	3.59
(c) Debentures	25.33	0.00
TOTAL	43.92	19.59
NOTE - 6		
Trade Receivables		
(Unsecured, Considered Good unless otherwise stated)		
(a) Overdue for More than Six Months - Considered Good	735.41	667.20
(b) Others - Considered Good	1079.96	1637.23
Less: Allowance for doubtful debts as per ECL	0.00	0.00
TOTAL	1815.37	2304.43
NOTE - 7		
Cash & Cash Equivalents		
(a) Cash in hand	7.59	4.88
(b) Balances with schedule Bank		
- In Current Accounts	28.03	18.29
TOTAL	35.62	23.17
NOTE - 8		
Bank Balances Others		
(a) Fixed Deposit Account	111.61	221.67
(b) Accured Interest on Fixed Deposits	1.32	3.21
(c) Unclaimed Dividend	8.51	10.13
TOTAL	121.44	235.01



(Amount in Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 9		
Short Term Loans & Advances		
Unsecured, Considered Good		
Loans and Advances to Related Parties	326.21	282.37
TOTAL	326.21	282.37
NOTE - 10		
Other Current Assets		
(a) Prepaid Expenses	7.11	6.84
(b) Balance with Government Authorities	157.12	171.52
(c) Other Deposits	52.21	49.39
(d) Others - Unsecured Considered Good	109.01	107.89
(e) Loans and Advances to Employees	25.58	55.28
TOTAL	351.03	390.91
NOTE - 11		
Equity Share Capital		
(a) Authorised		
40,00,000 Equity Shares of Rs.10/- each	400.00	400.00
(b) Issued, Subscribed & Paid-up		
3204300 Equity Shares of Rs. 10/- each at par	320.43	320.43
TOTAL	320.43	320.43
NOTE - 12		
Non-Controlling Interest		
Share Capital	1.66	27.52
TOTAL	1.66	27.52
NOTE - 13		
Other Equity		
General Reserve		
Balance as per Previous Year	3400.00	2900.00
Add: Transfer from P & L A/c	200.00	500.00
Closing Balance (a)	3600.00	3400.00
Profit & Loss Account		
Balance as per Previous Year	167.62	35.75
Add: Surplus/ (Deficit) in statement of Profit & Loss	439.99	671.48
TOTAL	607.61	707.23
Less: Transferred to General Reserve	200.00	500.00
Less: Proposed Dividend	16.02	32.04
Less: Dividend Distribution Tax	3.29	6.59
TOTAL	388.30	168.60
Add: Share in Revenue Profit of Associates	5.20	4.20
Closing Balance (a)	393.50	172.80
Assets Revaluation Reserve	91.68	91.68
Security Premium Reserve		
Balance as per last Balance Sheet	16.43	16.43
Add: Share in Security Premium (Associates)	0.00	0.00
Closing Balance (c)	16.43	16.43
Capital Reserve		
Balance as per last Balance Sheet	17.37	17.37
Sahes Forfieted Account and Difference in Face value and Investment value by holding co.	0.00	0.00
Closing Balance (d)	17.37	17.37
TOTAL	4118.98	3606.61



(Amount in Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 14		
Long Term Borrowings		
Term Loan		
(a) From State Bank of India (Secured by first legal mortgage in respect of Company's fixed assets acquired out of this loan and personal guarantee of Directors. Repayable in quarterly instalments over specified period of loans last instalment due in March 2025)	90.19	121.83
(b) Vehicle Loans (Against hypothecation of vehicles acquired out of the loan. Repayable in equated monthly instalments over the period of loans)	24.83	16.11
(c) From Bank of Baroda (Against hypothecation of factory building)	0.00	88.00
(d) From Kotak Mahindra Bank	312.77	0.00
TOTAL	427.79	225.94
NOTE - 15		
Short Term Borrowings		
Secured		
Loans Repayable on Demand		
(a) From State Bank of India (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 industrial plots of the company)	1341.82	1214.14
(b) From Banks (Overdraft against pledge of FDR)	10.15	49.43
(c) From Kotak Mahindra Bank	49.69	0.00
Unsecured		
From Axis Bank (Simens Ltd. channel financing loan from Axis Bank)	39.70	39.92
TOTAL	1441.36	1303.50
NOTE - 16		
Trade Payables		
Creditors - Others	1536.79	2219.84
TOTAL	1536.79	2219.84
NOTE - 17		
Other Financial Liabilities		
Current Maturities of Long Term Loans		
(a) State Bank of India	40.00	41.89
(b) State Bank of India (Vehicle Loan)	0.00	4.38
(c) Proposed Dividend	16.02	32.04
(d) Unclaimed Dividend	8.51	10.13
(e) Interest Payable on Term Loan	0.00	0.74
TOTAL	64.53	89.18

(Amount in Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 18		
Other Current Liabilities		
(a) Statutory Liabilities	121.88	116.10
(d) Customers Credit Balances	503.74	324.88
(c) Other Liabilities & Outstanding Expenses	241.72	225.51
(d) Payable to Directors	41.03	20.15
TOTAL	908.37	686.63
NOTE - 19		
Current Tax Assets		
Provision for Income Tax	150.00	202.90
Less : Advance Payment of Income Tax	145.83	155.10
TOTAL	4.17	47.80
NOTE - 20		
Revenue from Operations		
Sales (Net of GST)	7843.29	10097.93
Job Work & Commissioning Charges	82.42	84.12
TOTAL	7925.71	10182.05
NOTE - 21		
Other Income		
Interest Received	13.02	22.49
Profit on Sales of Fixed Assets	0.98	0.66
Profit on Sales of Investments	1.43	0.00
Excess Provision of Bonus Written Off	0.00	0.65
Export Incentives Received	56.30	
Miscellaneous Income	26.30	19.79
TOTAL	98.03	43.60
NOTE - 22		
Cost of Material Consumed/Sold		
Opening Stock	1156.53	1030.96
Add : Purchases	5733.25	7892.35
	6889.78	8923.31
Less : Cenvat Credit as per Transitional Provision	0.00	9.58
Less : Closing Stock	1400.31	1156.53
TOTAL	5489.47	7757.20
NOTE - 23		
Change in Inventory of Finished Goods and Work In Process		
Opening Stock	2390.91	1424.36
Less : Closing Stock	2775.93	2390.90
TOTAL	-385.02	-966.54
NOTE - 24		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus)	992.32	1013.14
Welfare Expenses	13.57	15.04
Security Expenses	7.99	7.69
Contribution to E.S.I.C.	8.61	7.39
Contribution to P.F.	28.05	18.46
TOTAL	1050.54	1061.73



(Amount in Lacs)

PARTICULARS	As At 31.03.2020	As At 31.03.2019
NOTE - 25		
Manufacturing, Administration and Selling Expenses		
A. Manufacturing Expenses		
Stores, Spare Parts & Standard Items Consumed		
Opening Stock	1.32	1.16
Add : Purchases	14.20	22.26
	15.53	23.43
Less : Closing Stock	0.13	1.32
Consumed during the Year	15.40	22.10
Component Processing Charges	119.06	252.28
Power Expenses	37.51	38.40
Repair & Maintenance of Plant & Machinery	1.81	1.66
Repair & Maintenance of Building	16.87	19.95
Freight & Cartage Inward	43.17	57.79
Material Shifting & Handling Charges	15.88	59.32
Other Expenses	20.69	20.46
TOTAL (A)	270.40	471.96
B. General & Administrative Expenses		
Rent, Rates & Taxes	35.34	35.58
Charity & Donation	6.49	8.73
Computer Charges	4.38	10.25
Stationery & Printing	5.58	9.93
Telephones & Internet	14.87	13.39
Postage & Courier	4.33	2.94
Travelling & Conveyance	203.05	211.62
Legal & Professional Charges	58.24	59.76
Auditor's Remuneration	1.75	1.70
Insurance	5.07	5.28
Loss on Sale of Assets	0.00	0.07
Director's Remuneration	103.88	98.88
Contribution to P.P.F	7.44	6.91
Bonus / Ex-gratia to Directors	7.44	6.91
Other Expenses	47.44	40.91
TOTAL (B)	505.29	512.87
C. Selling & Distribution Expenses		
Sales Promotion & Entertainment	17.91	28.20
Freight & Cartage Outward	74.31	76.09
Sales Commission	32.09	84.56
Advertisement & Exhibition	20.89	48.73
Bad Debts	34.83	56.68
Late Delivery Charges	3.33	6.20
After Sales & Services	5.95	4.09
Other Expenses	1.18	2.64
TOTAL (C)	190.48	307.19
GRAND TOTAL (A+B+C)	966.17	1292.02
NOTE - 26		
Interest & Finance charges		
On Fixed Period Loans	0.00	4.12
Other Loans (Bank)	131.35	92.31
Interest to Others	3.44	4.23
Other Financial Charges	17.43	13.86
TOTAL (A)	152.22	114.51

Notes forming part of Financial Statements for the year ended 31st March 2020**(All amounts are in Indian Rupees in Lacs unless otherwise stated)****Note - 27****A. Corporate Information**

ITL INDUSTRIES LIMITED (“the company”) was incorporated in the year 1989 having its registered office 111-SECTOR-B, SANWAR ROAD, INDUSTRIAL AREA. INDORE MP is engaged in the business of Manufacturing of Band saw Machines, CNC Tube Mills, Machine tools & Sale/purchase of Hydraulic Items, etc. The company is a public limited company and its shares are listed on Bombay stock exchange (BSE).

B. Significant accounting policies**1. Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting standards (“Ind AS”) notified, under section 133 of the Companies Act, 2013 ('Act') read with the rules notified under the relevant provisions of the Act.

2. Basis of Preparation

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements including notes thereon are presented in Indian Rupees (“Rupees” or “INR”), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest thousands of Rupees as per the requirement of Schedule III to the Act, unless stated otherwise.

3. Use of Estimates, Judgments and Assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on amount recognized in the financial statements are:

- i. Allowance for bad and doubtful trade receivable.
- ii. Recognition and measurement of provision and contingencies.
- iii. Depreciation/ Amortisation and useful lives of Property, plant and equipment / Intangible Assets.
- iv. Recognition of deferred tax.
- v. Income Taxes.
- vi. Impairment of Non-financial assets and financial assets.

4. Principle of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and equity accounting of its investment in associates.

a. Associates :

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Equity method as per IND AS 28:

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

b. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its power and involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are considered for consolidation when the Group obtains control over the subsidiary and are derecognised when the Group loses control of the subsidiary. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains resulting on intra-group transactions are eliminated in full. Unrealised losses resulting from intra-group transactions are eliminated in arriving at the carrying amount of assets unless transaction provides an evidence of impairment of transferred asset. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Statement of Profit and Loss and Consolidated Balance Sheet, separately from parent shareholders' equity.

- c. The CFS comprise of the audited financial statements (except as mentioned otherwise) of the Company and its subsidiaries, associates entities for the year ended 31st March, 2020, which are as under:

Name of the Company/ firm	Country of incorporation	Relationship	Shareholding as at 31 March, 2020
1. M M Metals Pvt Ltd	India	Subsidiary	30480
2. Luhadia Sons Shahpura Pvt Ltd	India	Associate	294690

5. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Inventories having value Rs. 4176.36 Lacs are hypothecated by State Bank of India and Kotak Mahindra Bank for Working Capital.

The cost in respect of the various items of inventory is arrived at as under:

- Raw material – cost includes direct expenses and is determined on the basis of weighted average method.
- Packing material – cost includes direct expenses and is determined on the basis of weighted average method.
- Work in progress – includes cost of conversion and other costs incurred to bring the inventories in their present condition.

- Finished goods – cost includes raw material cost, other overheads incurred to bring the goods to their present location and condition. Cost of finished goods also includes taxes, wherever applicable.

6. Revenue Recognition

- a. Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers.
 - i. Revenue from the sale of goods is recognised when the control of the goods has been passed to the customer as per the terms of agreement and there is no continuing effective control or managerial involvement with the goods.
 - ii. Revenue from rendering of services is recognized when the work is performed and as per the terms of agreement.
 - iii. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.
- b. Interest income is recognized on accrual basis using the effective interest method.
- c. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.

7. Property, Plant and Equipment

a. Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

b. Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as per the provisions of Section 123 read with Schedule II Part C of the Companies Act 2013.

8. Intangible assets

a. Measurement and recognition:

Intangible assets are held at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortised on straight line basis over the useful life of asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates or when the development stage is achieved. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit and loss.

b. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit and loss.

9. Impairment of non-financial asset

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

10. Foreign Currency Transactions and Translations

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transaction takes place. Monetary assets and liabilities in foreign currency, outstanding at the close of the year are converted into Indian currency at the prevailing exchange rates on the date of balance sheet. The resultant gain or loss is charged to the statement of profit and loss.

In respect of forward exchange contracts entered into for hedging foreign currency risk for outstanding exposure, the difference between the forward rate and the exchange rate is recognized as income or expense over the life of the contract. The exchange differences arising on such contracts are recognized during the year as the income or expenses on the outstanding exposure.

11. Employee Benefits

A. Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

B. Long Term Employee Benefits

- a. Retirement benefits in the form of defined contribution plans including gratuity liability under Payment of Gratuity Act are paid & charged to the Statement of Profit and Loss for the year when contributions to the respective Funds are due, in such cases the actuarial risk and the investment risk are borne by the respective funds.
- b. Retirement benefits in the form of defined benefit plan are recognised using Projected Unit Credit Method where Current service cost, Past service cost and net interest Expense/Income is recognised in the statement of profit and loss and Gain/Loss due to actuarial risk and investment risk is charged to the other comprehensive income.

12. Borrowing Costs

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they are incurred.

The total of borrowing cost capitalised during the year was RS, 33.61 Lacs at a capitalisation rate of 10.05%.

13. Segment Accounting Policies

Based on the criteria mentioned in Ind AS 108 "Operating Segment" the company has identified its reportable segments. The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as performance indicator for all of the operating segments.

14. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

a. **Current taxes**

Provision for current tax is made after taking into consideration benefits admissible under provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognized where there is convincing evidence that the same can be realized in future.

b. Deferred Taxes

The deferred tax charge or credit the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future ; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is reasonable certainty of realization of such assets.

15. Provisions, contingent liabilities, and contingent assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

16. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

17. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

a. Financial Assets

Classification:

The Company shall classify financial assets and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in Statement of Profit and Loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through FVOCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Amortized Cost:

Assets that are held for contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is recognized using the effective interest rate method.

Interest income:

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Equity instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Ind AS 109 requires all investments in equity instruments and contracts on those instruments to be measured at fair value.

The Company subsequently measures all quoted equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification for fair value gains and losses to profit or loss following the de-recognition of the investment.

The Company subsequently measures all un-quoted equity investments at cost based on the requirements of Ind AS 109, where in some limited circumstances cost is a more appropriate estimate of fair value, that may be the case if insufficient more recent information is available to measure the fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of the fair value within that range.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/ loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVTPL are included in the Statement of Profit and Loss.

Debt instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables. Based on the factors, the Company classifies its debt instruments into one of the above three measurement categories.

De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- c. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- d. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance:

The Company follows general approach for recognition of impairment loss allowance for financial assets other than trade receivables. In general approach, the financial asset is divided into 3 stages and the amount of ECL is recognized depending on the stage of the financial asset into consideration.

The loss under this approach is either based on the 12 months ECL or lifetime ECL. All financial assets falling in stage 1 is performing and requires 12 months ECL, whereas financial assets in stage 2 where the credit risk has increased significantly post recognition or financial assets in stage 3 which are credit impaired a lifetime ECL is required.

b. Trade receivables:

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial Liabilities

Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised costs.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

De-recognition:

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and when the company has a legally enforceable right to set off the amount and it intends either to settle them on net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

18. Cash and cash equivalents

Cash and cash Equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three or less month, which are subject to an insignificant risk of changes in value.

19. Cash Flow Statement

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

20. Earnings per share**a. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners if the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year, if any and excluding treasury shares.

b. Diluted earnings per share

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

21. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

22. Research and Development Expenses

Research and Development Expenditure is charged to the statement of Profit and Loss in the year of incurrence. However, expenditure on fixed assets laid into Research and Development is treated in the same way as other fixed assets.

23. Investment in subsidiaries and associates

Investments in subsidiary and associate companies are carried at cost and fair value (deemed cost) as per Ind AS – 101 and 109 less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiary companies, associate companies and joint venture companies, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

When the company ceases to control the investment in subsidiary or associate the said investment is carried at fair value through profit and loss in accordance with Ind AS 109 “Financial Instruments”.

27 (B) ADDITIONAL NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1 Notes 1 to 27 referred herein above forms an integral part of these Consolidated Ind AS Financial Statements.

2 (A) CONTINGENT LIABILITIES:**Contingent liability [to the extent not provided for]**

Central Sales Tax, 1956, matter under dispute - ₹ 98.29 Lacs (Previous year – ₹ 97.80 Lacs)

Value Added Tax, matter under dispute- ₹ 9.22 Lacs (Previous year –NIL)

Disputed Demand of Income tax- ₹ 13.52 Lacs (Previous year – ₹ 4.54 Lacs)

(B) COMMITMENTS : NIL

3 As per Ind AS 109 the long-term investments held by the company in its subsidiary and associates and in other company are to be carried at cost. All the investments of the Company have been considered by the management to be of long-term nature.

4 DEFERRED TAX LIABILITY AS PER IND AS – 12**(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Difference in Block Value of Fixed Assets as per Income Tax Act and Company Law.	604.35	378.07
Less: Deferred Tax Liability effect for unabsorbed losses	-	-
Net deferred tax Liability (a)-(b)	168.13	105.18
Less: Deferred tax Liability already provided in previous years	111.67	83.26
Deferred Tax Liability/ written back for the year	56.46	-21.92

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Profit before tax from continuing operation	608.61	832.56
Income Tax expense calculated @ 27.82% (Previous Year 27.82%)	169.32	231.62
Effect of income that is exempt from taxation	-0.278	-0.18
Effect of expenses that are not deductible in determining taxable profits	-35.17	-38.19
Effect of concession (allowances)		
Adjustments recognized in current year in relation to the current tax of prior years		
Other temporary differences	16.12	6.75
Income tax expense recognized in profit or loss (relating to continuing operation)	150.00	200.00

Provision For Taxation

Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company (if any).

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019

The company has not migrated to the new regime of taxation.

5 AUDITOR'S REMUNERATION: (Excluding GST)**(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Statutory Audit Fees	1.35	1.30
Tax Audit	0.4	0.4
Reimbursement of Expenses	-	-
Total	1.75	1.70

6 Related Party Transactions as Per Ind AS – 24**Name of related parties:****Directors and KMP****(Amount in ₹ Lacs)**

Name of Director	Relationship	Nature of Transaction	Amount	Outstanding Amount
Shri Rajendra Singh Jain	Managing Director	Remuneration	56.19	24.43 (Cr.)
Shri Mahendra Singh Jain	Joint Managing Director	Remuneration	51.69	13.07 (Cr.)

Relative and enterprises in which Managerial Personnel have significant influence**(Amount in ₹ Lacs)**

Name	Relationship	Nature of Payment	Amount	Outstanding Amount
Ravish Jain	Managing Director's Son	Remuneration	21.00	2.49 (Cr.)
Prakhar Jain	Joint Managing Director's Son	Remuneration	21.00	0.94 (Cr.)
Manish Jain	Managing Director's Son	Remuneration	21.00	1.72 (Cr.)
Shekhar Jain	Joint Managing Director's Son	Remuneration	21.00	5.61 (Cr.)
Remswags Marketing Pvt. Ltd.	Director's Relative is director	Purchase (Net)	336.61	24.89 (Dr.)
		Sales (Net)	48.16	0
		Interest Received	2.29	0
		Warehousing & Facility Charges Paid	0.60	0
Indore Tools Private Limited	Director's Relative is Director	Purchase (Net)	636.56	130.39 (Dr.)
		Rent Paid	2.40	0
		Sales (Net)	29.75	0
M.M. Metals Private Limited	Subsidiary Company	Sales of Material	63.40	0
		Warehousing & Facility Charges Paid	36.00	0
		Purchase (Net)	118.29	15.36 (Cr.)
Fillracks Technology Pvt. Ltd.	Joint Managing Directors	Purchase (Net)	19.05	3.43 (Cr.)
	Director's relative is Director	Investments in Shares	3.95	0

7 BASIC AND DILUTED EPS:**(Amount in ₹ Lacs)**

Particulars	2019-20	2018-19
Net Profit attributable to equity shareholders	414.13	671.48
Number of equity shares issued (basic)	32.04	32.04
Number of equity shares issued (weighted)	32.04	32.04
Basic and Diluted earnings per share	12.93	20.96

- 8** The inventories amounting to ₹4176.36 Lacs have been shown at cost. As per Ind AS 2 - "Valuation of Inventories", inventories should be valued at cost or net realizable value whichever is lower. Such valuation requires technical judgments and consideration of market related factors. The diminution in the valuation thereof, if any, will be accounted for in the year of realization.
- 9** Balance of Trade Receivables, Trade Payables, Trade Deposit, Loans and Advances and others are subject to respective consent, confirmation, reconciliation and consequent adjustment, if any. However, in the opinion of the management these accounts will fetch the amount as stated in the books of accounts on realization in the ordinary course of business.
- 10** There were no dues outstanding for more than 45 days to any micro, small and medium enterprises creditors. The aforesaid information has been arrived at to the extent such communication has been received from the respective parties by the company.

11 Additional information as required under part II of schedule III to the companies Act, 2013 is as under:

- a. Expenditure in foreign currency on account of Raw Material ₹ 470.22 Lacs [Previous Year ₹ 584.35 Lacs]
- b. Earning in foreign currency on account of Export of goods on CIF/FOB Basis and advance from customers is ₹ 835.78 Lacs [Previous Year ₹ 777.27 Lacs]
- c. Particulars of consumption of Imported and Indigenous Raw Materials: (Amount in ₹ Lacs)

Particulars	2019-20		2018-19	
	Value	% of Total	Value	% of Total
Imported	470.22	8.56%	584.35	7.53%
Indigenous	5020.80	91.44%	7172.85	92.47%
Total	5491.02	100.00%	7757.2	100.00%

12 The Company is the parent Company of M.M. Metals Private Limited holding 52.55% (30480 shares) of its subsidiary.

13 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

14 Research and Development Expenditure Details;

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
capital expenditure	2.84	2.44
revenue expenditure	284.32	274.54

15 The Company has not entered into any derivative and forward contracts for the purpose of hedging foreign exchange exposures and there is no speculative transaction. The outstanding position of the Forex Exposure is as under:

A) Hedged Exposure

(Amount in ₹ Lacs)

Particulars	2019-20		2018-19	
	Forex	INR (in Lacs)	Forex	INR (in Lacs)
Suppliers credit	NIL	NIL	NIL	NIL

A) Un hedged Exposure: -

(Amount in ₹ Lacs)

Particulars	Forex	INR (in Lacs)	Forex	INR (in Lacs)
Suppliers Credit	3207 (USD) 1305 (EURO)	2.38 1.13	8835 (USD) 21929232 (JPY)	6.23 140.24
Customers Debit	88488 (USD) 1630 (EURO)	60.06 1.29	163303(USD) NIL	111.85 NIL

16 In Terms of IND AS 108 Segment Reporting, the company has identified following segments and details are furnished as under:

(Amount in ₹ Lacs)

S. No.	Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
1	Segment Revenue:		
	Machine Manufacturing	6047.57	7820.08
	Trading Activities	2582.86	3076.14
	TOTAL	8630.43	10896.22
2	Less: Inter Segment Revenue	606.69	654.00
	Net Sales	8023.40	10242.22
	Segment Profit / (Loss) before tax:		
	Machine Manufacturing	589.08	747.14
	Trading Activities	178.95	214.87
	TOTAL	768.03	962.01
3	Less: Interest	152.22	114.53
	Net Profit before tax	615.81	847.48
	Capital Employed: {Seg Assets-Seg Liabilities}		
	Machine Manufacturing	2703.21	2459.43
	Trading Activities	1737.86	1586.81
	TOTAL	4441.07	4046.24

17 Pursuant to disclosure pertaining to Section 186(4) of the Companies Act, 2013 the following are the details thereof:**a. Loan given-outstanding as at the year-end: Nil****b. Investment Made:**

The investments are classified under respective heads for purposes as mentioned in their object clause.

c. Guarantee Given and Security Provided:

During the year the company provided the Guarantee amounting to Rs. 3.82 Lacs

18 Disclosure Pursuant to Regulation 34(3) of the SEBI (LODR) Regulation 2015**a. Loans and advances in the nature of loan to subsidiary - Nil****b. Loans and Advances in the nature of loan to Associates, Related Party and Parties where directors are interested: Nil****c. (i) None of the Parties to whom loans were given have made investment in the shares of the Company**

(ii) The above advances fall under the category of loans, which are repayable on demand and interest has been charged on it.

19 Corporate Social Responsibility

The Expenditure incurred on corporate social responsibility (CSR) is as under:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Gross Amount required to be spent by the company	13.02	9.34
Amount Spent During the Year		
- On Construction/ Acquisition of any assets	0	0
- On Purpose other than above	6.36	5.00
Balance	6.66	4.34

20 Financial Risk Management Objective and Policies:

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

a) Market Risk

Market risk is the risk that future earnings and fair value of future cash flows of a financial instrument may fluctuate because of changes in market price. Market risk comprises of currency risk and interest risk.

i) Interest Risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the ITL Group under the framework of Risk Management Policy for interest rate risk. The Group's Central Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Company's exposure to the risk of changes in market interest rates relates primarily to the borrowing from banks. Currently company is not using any mitigating factor to cover the interest rate risk.

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Interest Rate Risk exposure	0	0
Borrowing from banks	1869.15	1529.43

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for borrowing at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of Borrowings. If the interest rates had been 1% higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on companies profit in that financial year would have been as below:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Impact on Profit or Loss for the year decrease	18.69	15.29
Impact on Profit or Loss for the year increase	18.69	15.29

ii) Foreign currency Exchange risk

Since the Company operates internationally and portion of the business transacted are carried out in more than one currency, it is exposed to currency risks through its transactions in foreign currency or where assets or liabilities are denominated in currency other than functional currency.

The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including the use of derivatives like foreign exchange forward and option contracts to hedge exposure to foreign currency risks.

Following table analysis foreign currency assets and liabilities on balance sheet date.

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Payable in Foreign Currency	3.51	146.47
Receivable in Foreign Currency	61.35	111.85

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the various currencies if the currency rate is increased/(decreased) by 1% with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(Amount in ₹ Lacs)

Currency	Sensitivity Analysis			
	2019-20		2018-19	
	USD/EURO/JPY Increase	USD/EURO/JPY Decrease	USD/EURO/JPY Increase	USD/EURO/JPY Decrease
Sensitivity to foreign currency risk (USD)	916.95	916.95	1721.38	1721.38
Sensitivity to foreign currency risk (EURO)	29.35	29.35	0	0
Sensitivity to foreign currency risk (JPY)	0	0	219292.32	219292.32

b) Credit risk

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Company. Financial instruments that are subject to credit risk principally consist of Loans, Trade and Other Receivables, Cash & Cash Equivalents, Investments and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits. Credit risk from balances with banks, financial institutions and investments is managed by the Company's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank Deposits are placed with banks having good reputation, good past track record and high quality credit rating.

Since the Company has a fairly diversified portfolio of receivables in terms of spread, no concentration risk is foreseen.

Trade and other receivables

To Manage trade and other receivables, the company periodically assesses the financial reliability of customers, taking in to account the financial conditions, economic trends, analysis to historical bad debts and ageing of such receivables.

The ageing analysis of the trade receivables has been considered from the date the invoice falls due

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Up to 6 Months	735.76	667.20
More than 6 Months	1079.61	1637.23
TOTAL	1815.37	2304.43

The following table summarizes the change in the loss allowances measured using expected credit loss

(Amount in ₹ Lacs)

Particulars	Amount
Balance as at 1st April, 2019	0
Bad Debts Written off during the year	34.83
Provided during the year	0
Balance as at 31st March, 2020	0

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties apart from those already given in financials, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

c) Liquidity risk

Liquidity risk refers the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's objective is to provide financial resources to meet its obligations when they are due in a timely, cost effective and reliable manner without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors liquidity risk using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations.

The tables below provide details regarding contractual maturities of significant liabilities as at the end of each year end presented.

(Amount in ₹ Lacs)

Particulars	Less than 1 Year	1 to 5 Years	>5 Years	Totals
As at 31st March, 2020				
Long term borrowings	0	427.79	0	427.79
Short term borrowings	1441.36	0	0	1441.36
Trade payables	1536.79	0	0	1536.79
Other financial liabilities	64.53	0	0	64.53
Total	3042.68	427.79	0	3470.47
As at 31st March, 2019				
Long term borrowings	0	225.94	0	225.94
Short term borrowings	1303.50	0	0	1303.50
Trade payables	2219.84	0	0	2219.84
Other financial liabilities	89.18	0	0	89.18
Total	3612.52	225.94	0	3838.46

d) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020 and 31st March, 2019.

The Company monitors capital using gearing ratio, which is net debt (borrowings less cash and bank balances) divided by total equity plus net debt.

Gearing Ratio:

(Amount in ₹ Lacs)

Particulars	2019-20	2018-19
Debt	1869.15	1529.43
Cash and Cash Equivalent	35.30	17.12
Adjusted Net Debt	1833.85	1512.31
Total Equity	4335.74	3887.51
Net Debt to Equity Ratio	0.42	0.39

21 Financial Instruments by Category and fair value hierarchy:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

(Amount in ₹ Lacs)

As at 31 st March, 2020	Fair Value Management			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments	0	0	77.60	0	0	0
Cash and cash equivalent	0	0	35.62	0	0	0
Bank balances other than cash and cash equivalent	0	0	121.44	0	0	0
Trade Receivables	0	0	1815.37	0	0	0
Other financial assets	0	0	351.03	0	0	0
TOTAL	0	0	2401.06	0	0	0
Financial liabilities						
Borrowings	0	0	1869.15	0	0	0
Trade Payables	0	0	1536.79	0	0	0
Other financial liability	0	0	64.53	0	0	0
TOTAL	0	0	3470.47	0	0	0

As at 31 st March, 2019	Fair Value Management			Fair Value Hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments	0	0	53.27	0	0	0
Cash and cash equivalent	0	0	23.17	0	0	0
Bank balances other than cash and cash equivalent	0	0	235.01	0	0	0
Trade Receivables	0	0	2304.43	0	0	0
Other financial assets	0	0	390.91	0	0	0
TOTAL	0	0	3006.80	0	0	0
Financial liabilities						
Borrowings	0	0	1529.43	0	0	0
Trade Payables	0	0	2219.84	0	0	0
Other financial liability	0	0	89.18	0	0	0
TOTAL	0	0	3838.46	0	0	0

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

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

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

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

22 Events after reporting date

There is no event which occurred after the Balance Sheet Date

23 Additional information as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as associates:

A For the year ended 31st March 2020:



S. no.	Name of the entity in the Group	Net assets, i.e, total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	ITL Industries Ltd.	96.43%	4282.70	112.90%	467.54	0.00%	0.00	112.90%	467.54
	Associate (Investment as per the equity method)								
	Indian								
1	Luhadiya Sons Shahpura Pvt. Ltd.	1.71%	75.75	0.26%	1.08	0.00%	0.00	0.26%	1.08
	Subsidiary (Investment as per the equity method)								
	Indian								
1	M.M.Metals Pvt. Ltd.	1.86%	82.62	-13.16%	-54.49	0.00	0.00	-13.16%	-54.49
	Total	100.00%	4441.07	100.00%	414.13	0.00%	0.00	100.00%	414.13

B For the year ended 31st March 2019:

S. no.	Name of the entity in the Group	Net assets, i.e, total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	ITL Industries Ltd.	94.77%	3834.46	99.02%	664.93	0.00%	0.00	99.02%	664.93
	Associate (Investment as per the equity method)								
	Indian								
1	Luhadiya Sons Shahpura Pvt. Ltd.	1.85%	74.67	0.15%	1.00	0.00%	0.00	0.15%	1.00
	Subsidiary (Investment as per the equity method)								
	Indian								
1	M.M.Metals Pvt. Ltd.	3.39%	137.11	0.83%	5.55	0.00%	0.00	0.83%	5.55
	Total	100.00%	4046.24	100.00%	671.48	0.00%	0.00	100.00%	671.48

24 According to Ind AS - 7 the desired Cash flow statement is enclosed herewith.

25 Figures are rounded off to the nearest multiple of ₹ (Rupee).

By and on behalf of the Board

Rajendra Jain
Managing Director
DIN: 00256515

Mahendra Jain
Joint Managing Director
DIN: 00256047

Ashok Ajmera
Chief Financial Officer

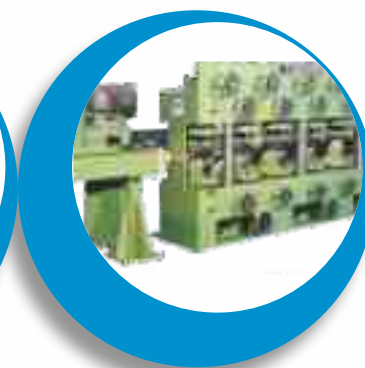
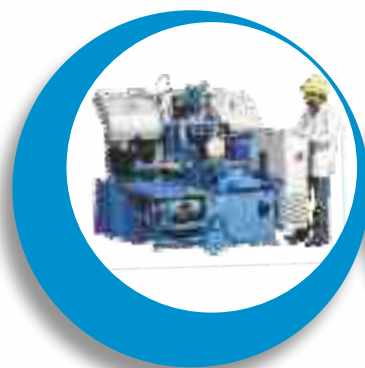
Akhilesh Gautam
Company Secretary
FCS: 8592

Date : 23rd July 2020

Place : Indore

As Per our report of even date attached
STATUTORY AUDITORS
For **MAHENDRA BADJATYA & CO**
CHARTERED ACCOUNTANTS
ICAI FRN 001457C

CA NIRDESH BADJATYA
PARTNER
ICAI MNO 420388
ICAI UDIN: 20420388AAAAIP5656



If Undelivered, Please Return to:

ITL Industries Ltd.

ITL Industries Ltd. (a BSE Listed Company)

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