



## INDEPENDENT AUDITOR'S REPORT

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

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M.M. Metals Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2015, and its Cash Flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a 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 and the Cash Flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; an
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to the same are not applicable to the company.

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

**CA. M.K. Badjatya**  
**Partner**  
**ICAI M.NO. 070578**

Date: 30/05/2015  
Place : INDORE



## ANNEXURE TO INDEPENDENT AUDITORS REPORT

The Annexure required under CARO, 2015 referred to in our Report to the members of M.M. Metals Private Limited (“the Company”) for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained adequate records on computer showing general particulars, including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of accounts.
- (ii) There was no Inventory during the year. Hence, the requirement of clause (ii) of paragraph 3 of the said order is not applicable to the Company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets & Inventory and sale of Goods & services. Further on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) The company has neither invited nor accepted any deposits from the public during the year.
- (vi) As informed to us, there was no business operation during the year. Hence, no cost records are required to be maintained by the Company sub-section (1) of section 148 of the Companies Act 2013.
- (vii) (a) According to the records of the Company and according to the information and explanations given to us by the management, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees state insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, whichever is applicable to the company with the appropriate authorities during the year and no undisputed amounts were outstanding as at 31st March, 2015 for a period of more than six months, from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.
- (c) The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the provisions of section 125 of the Companies Act, 2013.
- (viii) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of due to any Financial Institutions or Banks.
- (x) According to the information and explanations given to us, the Company has not given any corporate guarantee.
- (xi) The company has not obtained any Term Loan;
- (xii) Based upon the audit procedures performed and the information and explanation given to us by the management, no fraud on or by the company has been noticed or reported during the year;

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

**CA. M.K. Badjatya**  
**Partner**  
**ICAI M.NO. 070578**

**Date: 30/05/2015**  
**Place : INDORE**



**M.M. METALS PRIVATE LIMITED**  
**Balance Sheet as at 31<sup>st</sup> March, 2014**

(Amount in ₹)

|            | Particulars                   | Note No. | Amount As At<br>31.03.2015 | Amount As At<br>31.03.2014 |
|------------|-------------------------------|----------|----------------------------|----------------------------|
| <b>I.</b>  | <b>EQUITY AND LIABILITIES</b> |          |                            |                            |
|            | (1) Shareholder's Funds       |          |                            |                            |
|            | Share Capital                 | "1"      | 2400000                    | 2400000                    |
|            | (2) Non Current Liabilities   | "2"      | 10146324                   | 14712184                   |
|            | (3) Current Liabilities       | "3"      | 11562                      | 10000                      |
|            | <b>TOTAL</b>                  |          | <u>12557886</u>            | <u>17122184</u>            |
| <b>II.</b> | <b>ASSETS</b>                 |          |                            |                            |
|            | (1) Non-Current Assets        |          |                            |                            |
|            | Fixed Assets                  | "4"      | 12450000                   | 17100000                   |
|            | Cash & Bank                   | "5"      | 29262                      | 0                          |
|            | Pre-operative expenditures    | "6"      | 78624                      | 22184                      |
|            | <b>TOTAL</b>                  |          | <u>12557886</u>            | <u>17122184</u>            |

SIGNIFICANT ACCOUNTING

"7"

POLICIES AND ADDITIONAL NOTES ON ACCOUNTS

FORMING AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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

(Meena Jain)  
Director  
DIN : 00256341

(Manish Jain)  
Director  
DIN : 00444115

CA. M.K. Badjatya  
(Partner)  
ICAI M.No. 070578

DATED : 30/05/2015

PLACE : INDORE



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31.03.2015**

**NOTE -1  
SHARE CAPITAL**

(Amount in ₹)

| Particulars                               | As at 31 March 2015 |                | As at 31 March 2014 |                |
|---|---------------------|----------------|---------------------|----------------|
|   | Number              | ₹              | Number              | ₹              |
| <b>Authorised</b>                         |                     |                |                     |                |
| Equity Shares of ₹ 100 each               | 25000               | 2500000        | 25000               | 2500000        |
| <b>Issued, Subscribed &amp; Paid up</b>   |                     |                |                     |                |
| Equity Shares of ₹ 100 each fully paid up | 24000               | 2400000        | 24000               | 2400000        |
| <b>TOTAL</b>                              | <b>24000</b>        | <b>2400000</b> | <b>24000</b>        | <b>2400000</b> |

**Note:**

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

**(II) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

| Particulars                                     | 2014-15 |         | 2013-14 |         |
|---|---------|---------|---------|---------|
|   | Number  | ₹       | Number  | ₹       |
| Shares outstanding at the beginning of the year | 24000   | 2400000 | 24000   | 2400000 |
| Shares Issued during the year                   | 0       | 0       | 0       | 0       |
| Shares bought back during the year              | 0       | 0       | 0       | 0       |
| Shares outstanding at the end of the year       | 24000   | 2400000 | 24000   | 2400000 |

**(III) Equity Shareholder holding more than 5% Shares of the company**

(Amount in ₹)

| Particulars                              | As on 31st March 2015 |               | As on 31st March 2014 |               |
|--|-----------------------|---------------|-----------------------|---------------|
|  | No. of Shares held    | % of Holding  | No. of Shares held    | % of Holding  |
| ITL Industries Limited (Holding Company) | 21500                 | 89.58         | 21500                 | 89.58         |
| Smt. Meena Jain                          | 1250                  | 5.21          | 1250                  | 5.21          |
| Shri Manish Jain                         | 1250                  | 5.21          | 1250                  | 5.21          |
| <b>TOTAL</b>                             | <b>21500</b>          | <b>100.00</b> | <b>21500</b>          | <b>100.00</b> |

**NOTE-2**

(Amount in ₹)

**NON CURRENT LIABILITIES**

|  |                 |                 |
|--|-----------------|-----------------|
| Loan from ITL Industries Limited (Holding Company) | 10146324        | 14712184        |
| <b>TOTAL</b>                                       | <b>10146324</b> | <b>14712184</b> |

**NOTE-3****CURRENT LIABILITIES**

|                  |              |              |
|------------------|--------------|--------------|
| Sundry Creditors | 11562        | 10000        |
| <b>TOTAL</b>     | <b>11562</b> | <b>10000</b> |

**NOTE-4****FIXED ASSETS**

| Fixed Assets                                 | GROSS BLOCK                  |           |                | ACCUMULATED DEPRECIATION & IMPAIRMENT |                              |                                  |                            | NET BLOCK                     |                               |                               |
|--|------------------------------|-----------|----------------|---------------------------------------|------------------------------|----------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | Balance as at 1st April 2014 | Additions | Deductions     | Balance as at 31st March 2015         | Balance as at 1st April 2014 | Depreciation Charge for the year | Adjustment due to disposal | Balance as at 31st March 2015 | Balance as at 31st March 2015 | Balance as at 31st March 2014 |
| <b>TANGIBLE ASSETS</b>                       |                              |           |                |                                       |                              |                                  |                            |                               |                               |                               |
| <b>Land</b>                                  |                              |           |                |                                       |                              |                                  |                            |                               |                               |                               |
| Leasehold Industrial Land & Site Development | 3900000                      | 0         | 0              | 3900000                               | 0                            | 0                                | 0                          | 0                             | 3900000                       | 3900000                       |
| <b>Building</b>                              |                              |           |                |                                       |                              |                                  |                            |                               |                               |                               |
| Factory Building & Shed                      | 3000000                      | 0         | 2950000        | 50000                                 | 0                            | 0                                | 0                          | 0                             | 50000                         | 3000000                       |
| <b>Plant &amp; Machinery</b>                 |                              |           |                |                                       |                              |                                  |                            |                               |                               |                               |
| Plant, Machinery & Electrical Installation   | 2100000                      | 0         | 1700000        | 400000                                | 0                            | 0                                | 0                          | 0                             | 400000                        | 2100000                       |
| <b>INTANGIBLE ASSETS</b>                     |                              |           |                |                                       |                              |                                  |                            |                               |                               |                               |
| Goodwill                                     | 8100000                      | 0         | 0              | 8100000                               | 0                            | 0                                | 0                          | 0                             | 8100000                       | 8100000                       |
| <b>TOTAL (CURR. YR.)</b>                     | <b>17100000</b>              | <b>0</b>  | <b>4650000</b> | <b>12450000</b>                       | <b>0</b>                     | <b>0</b>                         | <b>0</b>                   | <b>0</b>                      | <b>12450000</b>               | <b>17100000</b>               |
| <b>TOTAL (PREV. YR.)</b>                     | <b>18000000</b>              | <b>0</b>  | <b>900000</b>  | <b>17100000</b>                       | <b>0</b>                     | <b>0</b>                         | <b>0</b>                   | <b>0</b>                      | <b>17100000</b>               | <b>0</b>                      |

**NOTE-5****CASH & CASHEQUIVALENTS**

(Amount in ₹)

|                    | As at 31 March 2015 | As at 31 March 2014 |
|--------------------|---------------------|---------------------|
| Cash               | 0                   | 0                   |
| Bank ( ICICI Bank) | 29262               | 0                   |
| <b>TOTAL</b>       | <b>29262</b>        | <b>0</b>            |

**NOTE-6****PRE-OPERATIVE EXPENSES**

|                               | As at 31 March 2015 | As at 31 March 2014 |
|-------------------------------|---------------------|---------------------|
| Office Expenses               | 1995                | 1995                |
| Bank Charges                  | 393                 | 0                   |
| Legal & Professional Expenses | 51811               | 2000                |
| Audit Fees                    | 16236               | 10000               |
| Security Expenses             | 8189                | 8189                |
| <b>TOTAL</b>                  | <b>78624</b>        | <b>22184</b>        |

**NOTE-7****SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES ON ACCOUNTS FORMING AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.****(A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting :**

These Financial Statements have been prepared in accordance with generally accepted accounting principals and specified standards in India under the historical cost convention on accrual basis in accordance with the provision of section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules 2014.

**2. Fixed Assets:**

Fixed Assets are stated at acquisition cost less depreciation.

**3. Depreciation:**

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

**B. Additional Notes on Accounts :**

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

| Name of Party       | Relationship    | Nature of Transaction | Amount (₹) |
|---------------------|-----------------|-----------------------|------------|
| ITL Industries Ltd. | Holding Company | Loan taken            | 10146324   |

- Since the company could not commence any business, therefore no Profit & Loss statement has been prepared.
- Additional information as required under part II of schedule III to the Companies Act 2013 is NIL.
- Figures are rounded off to the nearest multiple of a rupee.
- Previous year figures have been regrouped or rearranged where ever necessary.

As Per our report of even date attached  
Statutory Auditors  
For MAHENDRA BADJATYA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI F.R.N. 001457C  
CA. M.K. Badjatya  
(Partner)  
ICAI M.No. 070578

(Meena Jain)  
Director  
DIN : 00256341

(Manish Jain)  
Director  
DIN : 00444115

DATED : 30/05/2015

PLACE : INDORE



**M.M. METALS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015**

Amount in ₹

| PARTICULARS  | 2014-15          | 2013-14         |
|--|------------------|-----------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>              |                  |                 |
| Net Profit before Tax and Extraordinary Items              | 0                | 0               |
| <b>Adjustment for :</b>                                    |                  |                 |
| Depreciation   | 0                | 0               |
| Dividend Received  | 0                | 0               |
| Interest Received  | 0                | 0               |
| Operating profit before working capital changes            | 0                | 0               |
| Adjustment for Current Assets :                            |                  |                 |
| Increase in Current Liabilities                            | 1562             | 5000            |
| Increase in Current Assets                                 | (56440)          | (8995)          |
| Cash generated from Operations before Extraordinary Items  | 0                | 0               |
| Adjustment for :   |                  |                 |
| Excess Provision of Income Tax written off                 | 0                | 0               |
| Net Cash in flow from operating activities (A)             | <u>(54878)</u>   | <u>(3995)</u>   |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>              |                  |                 |
| Purchase of Fixed assets                                   | 0                |                 |
| Sale of Fixed Assets                                       | 4650000          | 900000          |
| Net Cash flow from Investing activities (B)                | <u>4650000</u>   | <u>900000</u>   |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>              |                  |                 |
| Issue of Share Capital                                     | 0                |                 |
| Loan taken from Holding Company                            |                  | 3995            |
| Repayment of loan  | (4565860)        | (900000)        |
| Net Cash flow from Financing activities (C)                | <u>(4565860)</u> | <u>(896005)</u> |
| Net increase / decrease in cash & cash equivalents (A+B+C) | <b>29262</b>     | <b>0</b>        |
| Opening Balance - Cash & cash equivalents                  | 0                | 0               |
| Closing Balance - Cash & cash equivalents                  | 29262            | 0               |

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

(Meena Jain)  
Director  
DIN : 00256341

(Manish Jain)  
Director  
DIN : 00444115

CA. M.K. Badjatya  
(Partner)  
ICAI M.No. 070578

DATED : 30/05/2015  
PLACE : INDORE