

INNOVENTIVE INDUSTRIES LIMITED
25TH ANNUAL REPORT 2015-16

CIN L29309PN1991PLC063045



PROGRESSING WITH OPTIMISM



Corporate Information

BOARD OF DIRECTORS

Mr. Chandu Chavan
Chairman & Managing Director

Mr. Ravindra Katre
Whole-time Director (*till 9th Oct 2015*)
Director (*w.e.f. 10th Oct 2015*)

Mr. Pradeep Tupe
Independent Director (*Resigned on 1st April 2016*)

Mrs. Pournima Gadiya
Independent Director

Mr. Rajendra Gaikwad
Independent Director (*w.e.f. 09th Feb 2016*)

STATUTORY AUDITORS

Bharat J. Rughani & Co. Chartered Accountants, Mumbai

PLANTS

Unit I:

GAT No. 1261, Sanaswadi,
Pune Nagar Road,
Tal. Shirur, Pune - 412208

CORPORATE OFFICE

604, Nucleus Mall,
1 Church Road, Camp,
Pune - 411001

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited, Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032,

BANKERS

Central Bank of India
Axis Bank Limited
Bank of Baroda
Bank of India
United Bank of India
Allahabad Bank
Export Import Bank of India
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
State Bank of Bikaner & Jaipur
State Bank of India
The Ratnakar Bank Limited
The Saraswat Co-op Bank Limited
Bank of Maharashtra
DBS Bank Limited
UCO Bank

Unit II:

Gat No. 56/3/4/5,
Pimple Jagtap, Tal. Shirur,
Pune - 412208

REGISTERED OFFICE

Gat No. 56/4/5,
Pimple Jagtap, Taluka Shirur
Pune - 412208.

A Corporate with Sustainability at its core

Innoventive Industries Limited (IIL) is a multiproduct company catering to applications in diverse sectors such as automobile, boiler & heat exchangers, energy, oil and general engineering. It specializes in processing various types of steel, faster development cycles, flexible production systems, effective supply chain management for efficient delivery and capability to make tubular transformations. The Company is driven by continuous innovations.

The Company has three divisions, Tube, Sheet and Auto Products with manufacturing facilities and warehouses at strategic locations. It offers a wide portfolio of products such as Electric Resistance Welded tubes (ERW) and Cold Drawn Electric Welded Tubes (CEW), also known as Drawn over Mandrel (DOM) tubes, strips and auto assemblies. The tubes come in a range of materials like Low Carbon, High Strength, Micro alloy and Stainless Steel. Its products meet stringent requirements of Surface Finish, Wall Thickness, Dimension Tolerance and Mechanical Properties required by discerning global customers.

Our Core Competencies:

- Strong focus on innovation
- In-house research and development
- Backward integration
- Rich product portfolio
- Quality Products
- Ethos and Ethics



Forward Looking Statement

In this Annual Report, we have disclosed forward-looking statements to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Notice

NOTICE is hereby given that the 25th Annual General Meeting of Innoventive Industries Limited will be held on **Monday, the 26th day of September, 2016** at 9:30 a.m. at the Registered office of the Company at Gat No. 56/4/5, Pimple Jagtap, Taluka- Shirur, District Pune- 412 208 Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the financial statements of the Company including the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. Reappointment of Mr. Ravindra Katre

To appoint a Director in place of Mr. Ravindra Katre (DIN 00035125) who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 139,142 and all other applicable provisions if any of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Bharat J. Rughani & Co., Chartered Accountants, Mumbai (Firm's Registration No. 101220W with the Institute of Chartered Accountants of India), who have offered themselves for reappointment and have confirmed their eligibility to be appointed as statutory Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such terms and remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

4. Appointment of Mr. Rajendra Gaikwad as an Independent Director

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajendra Gaikwad (DIN 06791356), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 08, 2016 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice pursuant to Section 160 of the Companies Act, 2013, in writing, proposing his

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candidature for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years.

RESOLVED FURTHER THAT the Board (which includes its Working Group Committee) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution"

5. RATIFICATION AND CONFIRMATION OF REMUNERATION OF COST AUDITOR FOR YEAR 2016-17

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Amogh Paranjape, Cost Accountant, (Membership No. 18254) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2016-17, amounting to Rs. 3,00,000/-(Rupees Three Lakhs)as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

**By Order of the Board
For Innoventive Industries Limited**

Pune, 13th August, 2016

Registered Office:

Gat No. 56/4/5, Pimple Jagtap,
Taluka- Shirur, District Pune- 412208
Maharashtra, India

**Chandu Chavan
Chairman & Managing Director
DIN00035213**

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NOTES:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 4 of the Notice, is annexed hereto. The relevant details as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 2 & 4 of the Notice, are also annexed.
2. Pursuant to SS-2 i.e. Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the Meeting venue showing the prominent landmarks is given elsewhere in this Notice. Further, the Company has uploaded the above route map on its website at www.innoventive.in
3. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. Bharat J. Rughani & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting; have offered themselves for reappointment. The Directors propose to reappoint Bharat J. Rughani & Co., Mumbai Chartered Accountants (FRN 101220W) as auditors of the Company who have conveyed their willingness for being appointed as auditors of the Company in the ensuing Annual General Meeting. The Company has received a certificate from them under section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 that if appointed, their appointment will be within the limits.
5. The Register of Members and Transfer Books of the Company will be closed from Monday, 19th September, 2016 to Monday 26th September, 2016; both days inclusive.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Karvy for assistance in this regard.

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8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Karvy, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the financial statements are requested to write to the Company at an early date, so as to enable the management to keep the information ready at the meeting.
11. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories as on 26th August 2016, Unless any Member as on the said date has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy), on all resolutions set forth in this Notice.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company /(Registrar and Share Transfer Agent of the Company)
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /RTA.
15. Non-Resident Indian Members are requested to inform their Depository Participant, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

The instructions for e-voting are as under:

In case a Member receives an e-mail from Karvy [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

- a. Open the e-mail and also open PDF file namely "IIL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

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- b. Open the internet browser during the voting period and navigate to following URL: <https://evoting.karvy.com>
- c. If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and had cast your vote earlier for any company, then your existing login ID and password are to be used.
- d. If you are logging in for the first time, please enter the login credentials (i.e. user ID, password & captcha) as given below:
 - i. User Id:- For shareholders holding shares in physical form, event number followed by folio number registered with the Company for shareholders holding shares in demat form:
 -NSDL- 8 character DP ID followed by 8 Digit Client ID
 -CDSL- 16 digit beneficiary ID
 - ii. Password: The unique password as printed on the postal ballot form forwarded through the electronic notice.
 - iii. Captcha: Enter the verification code i.e. enter the alphabets and numbers in the exact way as they are displayed on the screen.
- e. After entering these details appropriately, click on 'LOGIN'
- f. Shareholders will then reach the "Password Change" menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that the Shareholders holding shares in demat form would be able to use the user ID and password for voting on resolutions of any other Company, on which they are eligible to vote, provided that the Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform.
- g. Systems will prompt you to update any contact details like mobile number, email ID, etc. On 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h. You need to login again with the new credentials.
- i. On successful login, system will prompt to select the "Event" i.e. Innoventive Industries Limited.
- j. On the voting page, you will see the description of the resolution along with the option 'FOR/ AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any votes in 'FOR' and partially in 'AGAINST', such that the total number of shares in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
- k. After selecting the resolution you have decided to vote on, click on "SUBMIT" button. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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- l. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- m. Corporates/ Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pankajdhamane@gmail.com copy marked to evoting@karvy.com . The file with the scanned image of the Board Resolution should be in the naming format "Corporate Name_Event no."
- n. The Members can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- o. Shareholders can cast their vote online till such time they have voted on all the resolutions or till the end of the voting period i.e. the last date of receipt of the postal ballot form, whichever is earlier.
- p. In case a person has become the Member of the Company after the dispatch of Notice but on or before the cut-off date i.e. 19th September, 2016 , may write to the Karvy on the email Id: varghese1@karvy.com or contact to Mr. P.A. Varghese on Contact No. 040-33215424, at [Unit: Innoventive Industries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. a. to n. as mentioned above, to cast the vote.
- q. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

Members will receive a Ballot Form along with the Annual Report. They have two options:

- i. To opt for e-voting by using the initial password that is provided in the enclosed Ballot Form. Follow all steps as given in Sr. No. a. to Sr. No. n. above, to cast your vote.

OR

- ii. To opt for casting your vote in physical form, fill in the Ballot Form and post it to the address mentioned in the enclosed Business Reply Envelope.

Other Instructions:

- i. The e-voting period commences on Friday, 23rd September, 2016 (9.00 a.m. IST) and ends on Sunday, 25th September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 19th September 2016, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 19th September, 2016.