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Dear Shareholders,

The financial year under review began as a difficult one. There was a significant slow down in the growth rate in the second half of the 2008-09, following the financial crises that began in the industrialized nations in 2007 and spread to the real economies across the world. There was apprehension that this trend would persist for some time as the full impact of the economic slowdown in developed world worked through the system. It was also a year of reckoning for the policymakers, who had taken a calculated risk in providing substantial fiscal expansion to counter the negative fallout of the global slowdown. Inevitably India's fiscal deficit increased from the end of 2007-08 reaching 6.8%(budget estimate) of GDP in 2009-10. A delayed and severely subnormal monsoon added to the overall uncertainty. The continued recession in the developed world, for the later part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows in economy. Yet, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

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.

The company achieved record turnover Rs 67.64 crores in 2009-10 as against Rs 34.62 crores in 2008-09 with a record profits of Rs.5 crores in 2009-10 as against Rs.1.18 crores in 2008-09 during the current year with improved margins on the backing of SAIL turnkey ERW pipe project. The company is hopeful of maintaining in the current year also the level of turnover achieved last year, however the margins cannot be expected to the same level.

Implementation of the SAP ERP and the efforts made by the management to improve the productivity and efficiency has started yielding positive results in the performance of the company. New product development as well as modifications is a continuous activity to maintain pioneer status in metal sawing in India. This year company has introduced India's first full range of LMG Bearing based Double Column Bandsaw Machines which are being patented. Also Mitre Swivel type CNC Bandsaws have been developed and exported. Carbide Tipped CNC Circular sawing Machines which were introduced first time in 2004 are now picking up well.

Timely execution of the order received from the Steel Authority of India during the Year, confirms to the technological, infrastructural, and managerial capabilities of the company.

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

The support of our shareholders, business associates, valued customers 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 the company to the present level.

Thanking you,



Er Rajendra Singh Jain
Chairman & Managing Director

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DIRECTORS

Manohar Singh Jain
Rajendra Singh Jain - Managing Director
Mahendra Singh Jain - Whole Time Director
N.Chakraborty
Dinesh Jain
Dr.S.K.Kapoor

AUDITORS

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

REGISTERED OFFICE & WORKS

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

BANKERS

State Bank of Indore
Industrial Finance Branch,
Khel Prashal,
Race Course Road,
INDORE (M.P.)

State Bank of India
S.M.E. Branch,
Pologround
INDORE (M.P.)

ADVISORS/CONSULTANTS

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

DIVISIONS

Indtools Sales & Services
Indore Saws & Tools

REGISTRAR & SHARE TRANSFER AGENT

M/s.Ankit Consultancy Pvt.Ltd.
2nd Floor, Alankar Point
Gita Bhawan Chouraha
INDORE (M.P.)
Phone No. : 0731-2491298

ISIN (DMAT) NO.: 478D01014
Website : itl.co.in

BSE Scrip Code :522183
NSIC - CRISIL RATING :- **SE1B**

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of **ITL INDUSTRIES LIMITED** will be held on Wednesday the 29th September, 2010 at 11.30 A.M. at the Registered Office of the Company, 111, Sector-B, Sanwer Road, Indore (M.P.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, Consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the Financial year ended on that date alongwith the Report of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2010.
3. To elect Director in place of Shri Manohar Singh Jain, who retires by rotation and being eligible offer himself for reappointment.
4. To elect Director in place of Shri N.Chakraborty, who retires by rotation and being eligible offer himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS**ORDINARY RESOLUTION**

6. To consider and if thought fit, to pass with or without modification, the following resolutions as ordinary resolution :

"RESOLVED THAT in partial modification of the resolution passed at the 20th Annual General Meeting and subsequently partially modified by the resolution passed at the 21st Annual General Meeting, and subject to the provisions of section 198, 268, 269, 309, 310, read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modification or re-enactment thereof, and subject to other necessary approvals, approval be and is hereby granted for the increase in ceiling on remuneration of Shri Rajendra Singh Jain, Managing Director of the Company payable to him with effect from 01/04/2010 for the remainder of his tenure i.e. upto 31/01/2013 and to modify the terms and conditions of appointment as provided here under :-

- (1) Salary of Rs.140000/- (Rs. One Lac and Forty Thousand only) per month in the band of Rs.140000/- to Rs.200000/- .
- (2) Remuneration is revised w.e.f 01/04/2010.
- (3) Perquisites : The Perquisites shall be restricted to an amount equal to the annual salary. The perquisites are classified into three categories A,B & C as follow :

Category-A

- i) Housing
 - a) The expenses incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 50% of the Salary.
 - b) In case of accommodation is 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).
- ii) Medical Reimbursement:
Reimbursement of expenses incurred for self on actual basis, and for family subject to a ceiling of one month's salary in a year or 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.
- v) Club Fees
Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.
- vi) Personal Accident Insurance :
Personal Accident Insurance of an amount, the annual premium of which shall not be exceeding Rs.1000/- per month

Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :
Company's contribution towards Provident Fund / Public Provident Fund @ 12% of the salary.
- 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.

The aforesaid perquisites stated in Category-B (a) and (b) 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.

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.

Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Rajendra Singh Jain shall be entitled to the above remuneration along with perquisites / benefits mentioned above by way of minimum remuneration in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and also subject to the approval of Central Government wherever required.

RESOLVED FURTHER that the above remuneration and other terms & conditions shall be applicable for the balance term of their appointment.



RESOLVED FURTHER that the Board of Directors of the Company be and is hereby empowered in their absolute discretion to alter and modify the terms and conditions of payment of above salary and perquisites within the overall monetary ceiling mentioned hereinabove".

7. To consider and if thought fit, to pass with or without modification, the following resolutions as ordinary resolution :

"RESOLVED THAT in partial modification of the resolution passed at the 20th Annual General Meeting and subsequently partially modified by the resolution passed at the 21st Annual General Meeting, and subject to the provisions of section 198, 268, 269, 309, 310, read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modification or re-enactment thereof, and subject to other necessary approvals, approval be and is hereby granted for the increase in ceiling on remuneration of Shri Mahendra Singh Jain, Managing Director of the Company payable to him with effect from 01/04/2010 for the remainder of his tenure i.e. upto 31/01/2013 and to modify the terms and conditions of appointment as provided here under :-

- (1) Salary of Rs.125000/- (Rs. One Lac and Twenty Five Thousand only) per month in the band of Rs.125000/- to Rs.200000/- ..
- (2) Remuneration is revised w.e.f 01/04/2010.
- (3) Perquisites : The Perquisites shall be restricted to an amount equal to the annual salary. The perquisites are classified into three categories A,B & C as follow :

Category-A

- i) Housing
 - a) The expenses incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 50% of the Salary.
 - b) In case of accommodation is 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).
- ii) Medical Reimbursement:
Reimbursement of expenses incurred for self on actual basis, and for family subject to a ceiling of one month's salary in a year or 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.
- v) Club Fees
Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.
- vi) Personal Accident Insurance :
Personal Accident Insurance of an amount, the annual premium of which shall not be exceeding Rs.1000/- per month.

Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :
Company's contribution towards Provident Fund / Public Provident Fund @ 12% of the salary.
- 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.

The aforesaid perquisites stated in Category-B (a) and (b) 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.

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.

Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Mahendra Singh Jain shall be entitled to the above remuneration along with perquisites / benefits mentioned above by way of minimum remuneration in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and also subject to the approval of Central Government wherever required.

RESOLVED FURTHER that the above remuneration and other terms & conditions shall be applicable for the balance term of their appointment.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby empowered in their absolute discretion to alter and modify the terms and conditions of payment of above salary and perquisites within the overall monetary ceiling mentioned hereinabove".

For and On behalf of the Board

Regd. Office :

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2010

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)

NOTES

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAT 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
02. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
03. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday the 25th September, 2010 to Wednesday the 29th September, 2010 (Both days inclusive).
04. (a) Members are requested to send their queries if any at least 7 days in advance of the meeting, so that the information can be made available at the meeting.
(b) Further, they are requested to bring at the meeting with them the printed Annual Report & Accounts being sent to them alongwith the Notice to avoid inconvenience
(c) Members/proxies should bring the Attendance slip sent herewith, duly filled, for attending the Meeting
(d) Members who hold shares in Electronic Form are requested to bring their Depository ID number and client ID number to facilitate easier identification for attendance at the Annual General Meeting .
05. The Share holders 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., 2nd Floor, Alankar Point, Gita Bhawan Chouraha, Indore (M.P.).
06. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Share Transfer Agent enclosing their Share Certificates to enable the Company to consolidate their holding in one folio.
07. The Dividend, as recommended by the Board, if declared at the meeting will be paid, subject to the provisions of Section 206A of the Act, on or after 5th Oct., 2010 to those members or their mandates whose names stand registered on the Company's Register of Members :
 - (a) as Beneficial Owners as at the end of business on 24th September, 2010 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form, and,
 - (b) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Registrar & Transfer Agent before 25th September, 2010. The Instruments of Share Transfers, complete in all respects, should reach the Registrar & Share Transfer Agent of the Company M/s.Ankit Consultancy Pvt.Ltd. at 2nd Floor, Alankar Point, Gita Bhawan Chouraha, Indore (M.P.) well before the Book Closure Date as stated above.
08. In order to avoid the risk of loss/interception of dividend warrants in postal transit and / or fraudulent encashment of dividend warrants, shareholders are requested to avail of ECS facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend. You may use the enclosed "ECS Mandate Form" and forward necessary details to the Company or Depository Participant, as the case may be to avail benefit from the service.
09. (a) Members are requested to notify the change in address if any , the name of Bank(s) with account number(s) for inscribing it on the face of dividend warrant(s) to avoid the fraudulent encashment of the same . Members holding Shares in Electronic Form should send the above information to the respective Depository Participants.
(b) In case mailing address mentioned on the Annual Report is either without Pin Code or with incorrect Pin Code, members are requested kindly inform to Registrar & Share Transfer Agent of the Company or the respective Depository Participant (s), as the case may be, their Pin Code immediately for speedy and proper delivery.
- 10. NOMINATION**
As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Department of the Company.



11. OUTSTANDING CALL MONEY :

Members who have not yet deposited call money on the partly paid shares are requested to deposit call money amount alongwith simple interest @ 12% per annum to the Company before the Book-closing date i.e. upto 24th September, 2010 failing which they will not be entitled for dividend on the partly paid-up shares

EXPLANATORY STATEMENT:

ITEM NO.6 & 7 :

The members of the company had in their 20th Annual General Meeting held on 27/09/2008 approved the resolution for re-appointment and remuneration with other terms and conditions of Mr. Rajendra Singh Jain as Managing Director of the company and of Shri Mahendra Singh Jain as Whole Time Director of the company for a period of 5 years w.e.f 01/02/2008, which was partially modified by the resolution approved in 21st Annual General Meeting held on 24/09/2009.

The aforesaid Directors were appointed on 01/02/1993 and were re-appointed on 01/02/1998, 01/02/2003 for a period of five years.

In view of the highly competitive employment market which currently prevails, your directors felt desirable that the compensation paid to Mr. Rajendra Singh Jain and Mr. Mahendra Singh Jain be revised w.e.f 1/4/2010 in line with the industry standard. In view of the same, the board of directors has in its meeting dated 25.08.2010 approved an increase in the remuneration payable to Mr. Rajendra Singh Jain and Mr. Mahendra Singh Jain in the salary range of Rs. 125000 - Rs 200000 per month, subject to the approval of members.

In the event of loss or inadequacy of profits in any financial year, Mr. Rajendra Singh Jain and Mr. Mahendra Singh Jain shall be paid the above remuneration as minimum remuneration.

The Board may, in its absolute discretion, pay to the above-mentioned directors, lower remuneration than the maximum remuneration hereinabove stipulated and revise the same from time to time within the maximum limit stipulated by the members.

Approval of the members is now being sought for the said revision in the remuneration of Mr. Rajendra Singh Jain and Mr. Mahendra Singh Jain w.e.f 1/4/2010.

The proposed increase in ceiling is within the limits prescribed under Part II of Section I of Schedule XIII of the Companies Act, 1956.

The above details may also be treated as an abstract of the modification in the terms of appointment of aforesaid Managing Director under Section 302 of the Companies Act, 1956.

None of the directors other than Mr. Rajendra Singh Jain and Mr. Mahendra Singh Jain to the extent of increase in remuneration are concerned or interested in the said resolution.

Your directors recommend the resolution as at Item No. 6 & 7 for your approval.

The additional disclosures mentioned in para I (B) (iv) of section II at part II of schedule XIII to the Companies Act 1956 is annexed herewith.

For and On behalf of the Board

Regd. Office :

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2010

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)



**DETAILS OF THE DIRECTORS SEEKING
RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Manohar Singh Jain	Shri N.Chakraborty
Category	Independent Director Non-Executive	Independent Director Non-Executive
Inter relationship	Father of Mr.Rajendra Singh Jain	Not related
Date of Birth	23rd November, 1929	24th October, 1943
Date of Appointment	25th January, 1989	1st May, 1999
Qualification	Visharad	B.Com, L.L.B.
Expertise in specific Functional areas	Promoter of the Company and wide experience in business	Wide experience in the field of Engineering business and Marketing
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	1. Audit Committee- Member 2. Shareholders'/Investors' Grievance Committee Chairman	1. Audit Committee- Member 2. Shareholders'/Investors' Grievance Committee Member
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' / Investors' Grievance Committee	NIL	NIL
Shareholdings in the Company	76100	NIL

Name of Director	Shri Rajendra Singh Jain	Shri Mahendra Singh Jain
Category	Executive Director	Executive Director
Inter relationship	Son of Mr.Manohar Singh Jain	Cousin Brother of Mr. Rajendra Singh Jain
Date of Birth	20th April, 1954	19th October, 1957
Date of Appointment	1st February, 1993	1st February, 1993
Qualification	B.E. (Mech.), Hon. Ph.D.	M.Com, PGDBM
Expertise in specific Functional areas	Mr. Rajendra Singh Jain is B.E. (Mech.), Hon. Ph.D., and is having 30 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 indigeneneous manufacture of Metal Cutting Machines viz. Bandsaw, Circular Saw Machines is significant. ITL Industries is growing at a good pace under is 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 Singh Jain is a post graduate in Commerce and has done PGDBM. He is ex-banker also and has rich experience of about 27 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	Mahaveer Krishi Kendra Ltd.
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	363400	69800





DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 22nd Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2010.

01. FINANCIAL RESULTS :

		Financial year ended 31.03.2010	Financial year ended 31.03.2009
a)	Sales & Other Income	67,63,69,793	34,61,84,892
b)	Profit before interest, Depreciation & Tax	9,77,87,321	3,56,83,639
c)	Less : - Interest and Finance charges	1,21,27,413	1,06,97,974
	- Depreciation	70,40,302	59,17,647
d)	Profit before Tax	7,86,19,606	1,90,68,018
e)	Less : Provision for Tax Current year	2,70,00,000	35,00,000
f)	Less : Deferred Tax Liabilities	11,76,850	27,54,175
g)	Less : Income Tax earlier year	3,94,703	4,77,015
h)	Less : Provision for Fringe Benefit Tax	-	4,92,522
i)	Profit after Tax	5,00,48,053	1,18,44,306
j)	Profit brought forward from previous year	3,01,597	22,04,874
k)	Profit available for appropriations	5,03,49,650	1,40,49,181
l)	Transferred to General Reserve	4,25,00,000	1,00,00,000
m)	Proposed Dividend	32,03,200	32,03,200
n)	Provision for Dividend Distribution Tax	5,32,011	5,44,384
o)	Balance carried to Balance Sheet	41,14,439	3,01,597

02. DIVIDEND :

Your Directors are pleased to recommend Dividend at the rate of Rs.1/- Per share (previous year 1/- per share) for the year ended 31st March, 2010 subject to approval of the members in the ensuing Annual General Meeting .

03. OPERATIONS :

During the year under review the sales & other Income of Company increased from Rs. 3461.85 lacs to Rs. 6763.70 lacs showing a growth of 95% & profit after Tax of the Company for the year under review has also increased from Rs. 118.44 lacs to 500.48 lacs also showing a growth of 322.55%

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 and Shri N.Chakraborty, retire by rotation and being eligible, offers themselves for re-appointment.

06. DIRECTORS' RESPONSIBILITY STATEMENT :

As stipulated in section 217 (2AA) of Companies Act,1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

ITL INDUSTRIES LIMITED

- ii) that the Directors have 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;
- iii) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on going concern basis.

07. PUBLIC DEPOSIT :

During the year under review, your company neither invited nor accepted any deposit under the provisions of Section 58-A of the Companies Act, 1956 and rules made there under.

08. PERSONNEL :

No employee is in receipts of remuneration exceeding the limits set out under section 217 (2A) of the Companies Act, 1956.

09. AUDITORS :

The Auditors M/s. Mahaveer M. Jain & Company, Chartered Accountants, Indore shall cease to hold office at the end of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

10. CORPORATE GOVERNANCE :

Your Company has taken adequate steps to ensure that all mandatory provisions of "Corporate Governance" as provided in the Listing Agreement of the Stock Exchanges with the Company's shares are listed are duly complied with.

A Detailed report on Corporate Governance and a certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as required under Clause 49 of the Listing agreement is attached to this report.

11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Director) Rules, 1988 is given in the Annexure forming part of this report.

12. INDUSTRIAL RELATIONS :

Industrial relations of the Company remained cordial during the year.

13. SUBSIDIARY COMPANIES :

M/s. Dimart Engineering Pvt. Ltd. and M/s. Luhadia Sons Shahpura Pvt. Ltd. are subsidiaries of your Company. The business operations of the said Companies have not been commenced.

The statement pursuant to section 212 of the Companies Act, 1956 in respect of the Subsidiary Companies, is separately annexed and forms part of the Annual Report.

14. CONSOLIDATED FINANCIAL STATEMENTS :

The Director also present the Audited Consolidated Financial Statements incorporating the duly audited financial statements of the subsidiaries, viz M/s. Dimart Engineering Pvt. Ltd. and M/s. Luhadia Sons Shahpura Pvt. Ltd. and as prepared in compliance with the accounting standards and listing agreements.

15. ACKNOWLEDGEMENT :

We wish to acknowledge the understanding & support and the services of the workers, staff and executives of the Company, which 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 Financial Institutions.

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

For and On behalf of the Board

Regd. Office :

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2010

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)



ANNEXURE TO THE DIRECTORS' REPORT

I. Information as per Section 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

A. RESEARCH & DEVELOPMENT :

1. Specific areas in which R & D carried out by the Company.	The Research & Development activities resulted in the development of new range of products of the Company during the previous year.
2. Benefits derived as a result.	Better Market coverage & New Market Development, cost reduction saving of Foreign Exchange on account of further indigenization.
3. Future plan on R & D	To develop special purpose Machines / Plants.
4. Expenditure on R & D	
a) Capital	--
b) Recurring	Rs. 40.54 Lacs
Total :	Rs. 40.54 Lacs
Total R & D expenditures as a	0.66 %
Percentage of total turnover	

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

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

C. CONSERVATION OF ENERGY :

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

D. FOREIGN EXCHANGE EARNING AND OUT GO :

The information of Foreign Exchange Earnings and out go is given in item No. 6 & 7 in Notes to Accounts.

Regd Office
111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2010

For and On behalf of the Board

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)

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 along with 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. 6065.18 lacs in the year 2009-10 as against Rs. 2808.42 lacs in the year 2008-09, and apart from Bandsaw Machines, designing and manufacturing of equipments for production of Pipes and Tubes as well as Special Purpose Equipment based on customers needs is on up-beat. Good orders have been received for these product line during the previous year and current financial year.

b) TRADING DIVISION :-

Trading Division of Hydraulics has achieved Sales / Income of Rs. 698.52 lacs in the year 2009-10 as against Rs. 638.12 lacs in the year 2008-09 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 Enquires for Manufacturing Division i.e. Bandsaw and Tube & Pipe Manufacturing equipment are showing good sign for recovery.

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

v) RISKS AND CONCERNS:

The Company is falling under the capital goods industry, the growth of which is determined by overall growth of the Industry.

An overall concern is pertaining to the pressure on the profitability. However, ITL has taken all measures to reduce the Direct and Indirect cost. During the current year, the Tube and Pipe Manufacturing Division is showing 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 external firm of Chartered Accountants 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 and other Income of the Company increased from Rs. 3461.85 lacs to Rs. 6763.70 lacs showing a growth of 95% & Profit after Tax of the Company for the year under review has also increased from Rs. 118.44 lacs to Rs. 500.48 lacs also showing a growth of 322.55%.

We were satisfied with the Sales Turnover and Profit of the Company has achieved during the year under review.

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

ix) DISCLAIMER STATEMENT:

Report on Management Discussion and Analysis deals with the Company's objectives, estimates, expectations and forecasting which may be forward looking within the meaning of applicable Security Laws and/or Regulations.

The aforesaid statements are based on certain premises and expectations of future events as such the actual results may however defer 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 BOARD OF DIRECTORS

PLACE : INDORE
DATED : 25.08.2010

(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR





REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement, 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. Board of Directors

Composition

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

ITL Industries Limited have certain rights enshrined in the Articles of Association pertaining to appointment of Directors.

Physical attendance of each Director at the Board Meeting during the year 2009-2010 and the latest AGM.

Name of the Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Attendance at the last A.G.M.
Shri Rajendra Singh Jain (Managing Director)	Executive	10	10	Yes
Shri Mahendra Singh Jain	Executive	10	10	Yes
Shri Manohar Singh Jain	Non-Executive /Independent	10	10	Yes
Shri Dinesh Jain	Non-Executive /Independent	10	10	Yes
Shri N.Chakraborty	Non-Executive /Independent	10	1	No
Dr. S.K. Kapoor	Non-Executive /Independent	10	10	Yes

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

Name of the Director(s)	No. of other Companies In which Director	No. of Committees (other than ITL Industries Ltd. In which Member)
Shri Rajendra Singh Jain	2	No
Shri Mahendra Singh Jain	3	No
Shri Manohar Singh Jain	No	No
Shri Dinesh Jain	1	No
Shri N.Chakraborty	No	No
Dr. S. K. Kapoor	No	No

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

Seven Board Meetings were held during the year 2009-10, on the following dates :

Date	Day	Time	Date	Day	Time
01.05.2009	Friday	4.00 P.M.	31.10.2009	Saturday	4.00 P.M.
16.06.2009	Tuesday	3.00 P.M.	24.12.2009	Thursday	4.30 P.M.
31.07.2009	Friday	4.00 P.M.	25.01.2010	Monday	11.30 A.M.
08.08.2009	Saturday	3.00 P.M.	30.01.2010	Saturday	4.00 P.M.
25.08.2009	Tuesday	3.30 P.M.	22.02.2010	Monday	3.00 P.M.

3. Audit Committee :

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

The Audit Committee comprises of Shri Dinesh Jain, Chairman of the Committee, Shri Manohar Singh Jain, Shri N.Chakraborty and Shri S.K.Kapoor all being Non-Executive Directors. The Managing Director, Executive Director along with Statutory Auditors are invitees to the meeting. The terms of reference of this Committee are wide enough covering matters specified for Audit Committee under the Listing Agreement / Companies Act, 1956.

Meeting and attendance during the year

Four meetings of the Audit Committee were held during the year 2009-10. 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 Dinesh Jain	5	5
Shri Manohar Singh Jain	5	5
Shri S.K.Kapoor	5	5

4. Remuneration Committee :

The Remuneration Committee comprises of Shri Manohar Singh Jain , Chairman of the Committee, Shri Dinesh Jain, Shri N.Chakraborty and Shri S.K.Kapoor all being Non-Executive Directors. The Broad Terms of reference of the Committee is to ensure the remuneration practices of the Company in respect of the Executive Directors of the Company .

(A) The details of the remuneration paid to Whole time Directors during the year 2009-2010 are given below :

Name & Designation	All elements Of remuneration package i.e. Salary, benefits, bonuses, pension, Gratuity etc.	Fixed Component and performance linked incentives alongwith the performance criteria	Service Contract, Notice period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which exercisable
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Shri Rajendra Singh Jain (Managing Director)	16,76,594	NIL	NIL	NIL
Shri Mahendra Singh Jain (Whole Time Director)	12,84,600	NIL	NIL	NIL

Notes :

- The agreement with each of the Directors is for a period of five years.
- Presently, the Company does not have a scheme for the grant of stock options of its employees.

(B) The details of payments to Non-executive Directors during the year 2009-10 are given below :

(Rs.in lacs)

Name of Director	Sitting Fees	Commission
Shri N.Chakraborty	NIL	8,81,513

5. Investors / Shareholders Grievance Committee :

The Company has constituted an Investors / Shareholders Grievance Committee under the Chairmanship of Shri Manohar Singh Jain . The three other members of the Committee are Shri Dinesh Jain, Shri N.Chakraborty and Shri S.K.Kapoor. All the three members of the Committee are Non-Executive Directors. The Committee looks into the Shareholders' and Investors' complaints. The number of shares pending for transfer were Nil as on 31st March, 2010.

6. 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.

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

**Details of Annual General Meeting (AGMs):**

AGMs	Date of AGMs	Location	Time
19 th	29.09.2007	Registered Office	11.30 A.M.
20 th	29.09.2008	Registered Office	11.30 A.M.
21 st	27.09.2009	Registered Office	11.30 A.M.

All the Resolutions set out in the respective Notices were passed by the Share-holders.

- b) No. resolution requiring postal ballot as recommended under Clause 49 of the Listing Agreement has been placed for Shareholders' approval at the Meeting.

7. Subsidiary Company :

M/s. Dimart Engineering Pvt. Ltd. (85% shares stake by the Company) and M/s. Luhadia Sons Shahpura Pvt. Ltd. (58% shares stake by the Company), both are subsidiary Companies. As per the provisions of clause 49, both are non-listed subsidiaries.

8. Disclosures :

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

Details are given elsewhere in the Annual Report. Please refer to item No. 13 of the Notes to the Accounts.

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

9. Means of Communication :

- Half-yearly sent to the each household of shareholder No, as the results of the Company are published in newspapers.
- Quarterly Results -do-
- Any website where displayed www.itindustries.com
- Whether it is also displayed in official newspapers, and No
- The presentations made to institutional newspapers, and No
- Newspapers in which results are normally published in - Free Press Journal
- Choutha Sansar
- Whether MD & A is a part of Annual Report Yes

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

- Date - 29th September, 2010
- Time - 11.30 A.M.
- Venue - 111, Sector-B, Sanwer Road, Indore-452015 (M.P.)

- Financial Calendar :

Quarter	Period	Publication of Results
First	April to June	Last week of July
Second	July to September	Last week of October
Third	October to December	Last week of January
Fourth	January to March	May / June

- Date of Book Closure 25.09.2010 to 29.09.2010
- Dividend payment dated During October, 2010
- Listing on Stock Exchanges The Stock Exchange, Mumbai (Listing fee for the year 2010-11 has been paid)
- Stock Code-Physical 522183 on Stock Exchange, Mumbai
- ISIN Number for NSDL & CDSL NE478D01014
- Market Price Data: High & Low during each month in the last financial year: Annexure-I

Annexure-I

High / Low of market price of the Company's shares traded on The Stock Exchange, Mumbai during the financial year 2009-10:

(Amount in Rs.)

Month	Highest	Lowest	Month	Highest	Lowest
April, 2009	19.60	15.40	October	37.65	27.00
May	29.90	16.25	November	38.90	29.30
June	35.35	24.10	December	46.90	31.50
July	31.70	21.75	January, 2010	73.70	41.00
August	29.00	23.50	February	60.25	48.55
September	32.85	26.90	March	72.00	53.60

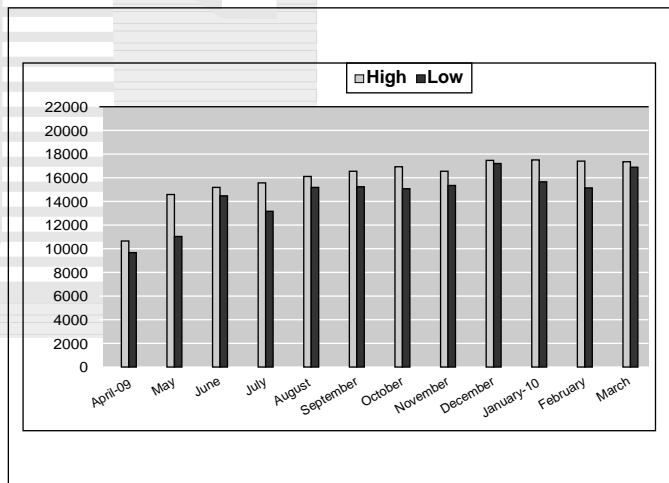
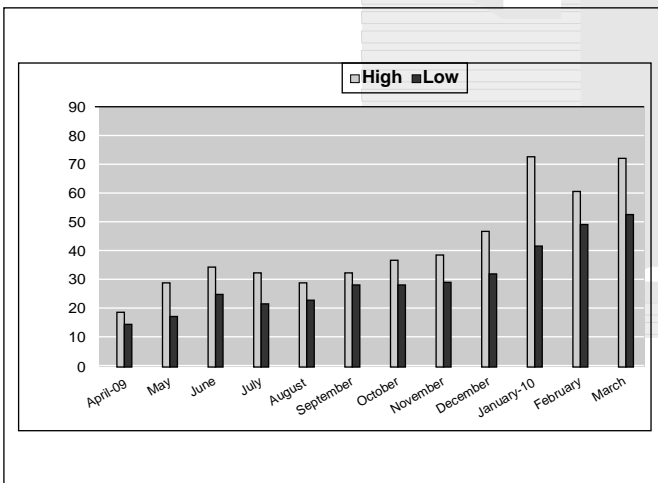
- Stock Performance in comparison to broad-based indices such as BSE Senex, BSE 200, Nifty

As per Annexure-II

STOCK PERFORMANCE Vs BSE SENSEX

**Stock Performance
(Market Share Price)**

BSE Sensex (2009-10)



- Registrar and Share Transfer Agent
- Share Transfer System

M/s. Ankit Consultancy Pvt.Ltd., Alankar Point ,Geeta Bhawan ,
INDORE -M.P. Phone- 0731 2491298

All transfers received are processed and approved by the Share Transfer Committee which normally meets once in a month, or at more frequency depending on the volume of transfers



- **Distribution of Shareholding pattern as on 31st March, 2010**

No.of Equity share held	No.of Folio	Percentage %	No.of Shares	Percentage %
Upto 500	4430	91.57	596332	18.09
501 to 1000	197	4.07	161143	4.89
1001 to 5000	140	2.89	305059	9.25
5001 to 10000	28	0.58	213379	6.47
10001 and above	43	0.89	2021387	61.30
Grand Total:	4838	100.00	3297300	100.00
No.of Shareholders In Physical mode	2709	55.99	1772125	53.74
No.of Shareholder In Electronic Mode	2129	44.01	1525175	46.26

- **Shareholding Pattern as on 31st March, 2010**

Category	No.of Share Holders	No.of Shares	Percentage %
Promoters	40	1489950	45.19
Foreign Collaborators	NIL	NIL	NIL
Mutual Funds	NIL	NIL	NIL
FIs./ Banks	NIL	NIL	NIL
FII's/NRI's	24	75289	2.28
Domestic Companies	119	323075	9.80
Public	4655	1408986	42.73
Total :	4838	3297300	100.00

- Dematerialisation of Shares and liquidity 46.26% of paid-up Share capital has been dematerialised
45.19% of paidup capital held by the promoters.
- Outstanding GDRs/ ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity The Company has not issued any ADR/ GDR
- Plant Location The Company's plant is located at :111, Sector-B, Sanwer Road, Indore-452015 (M.P.)
- Address for correspondence Shareholders correspondence should be address to Registrar & Share Transfer Agent of the Company M/s.Ankit Consultancy Pvt.Ltd., 2nd Floor, Alankar Point, Gita Bhawan Chouraha, Indore (M.P.)
OR
Registered office of the Company at :111, Sector-B, Sanwer Road Indore-452015 (M.P.)
Shareholders holding shares in Electronic mode should address all their correspondence to their respective Depository Participant.

ITL INDUSTRIES LIMITED

B. NON-MANDATORY REQUIREMENTS :

- a) Chairman of the Board: Yes
Whether the Chairman of the Board is entitled to maintain a Chairman's office at the Company's expenses & also allowed reimbursement of expenses incurred in the performance of his duties.
- b) Remuneration Committee The Company has set a Remuneration Committee.
- c) Shareholder Right :
The Quarterly declarations of financial performance -including summary of the significant events in last six months should be sent to each household of shareholders
As the Company's Quarterly Results are published in English newspaper having a circulation all over India and Hindi newspaper (having circulation in M.P.) the same are not sent to the Share holders of the Company.
The annual accounts are taken on record by the Board and then communicated to the share- holders through the Annual Report.
- d) Postal Ballot The company has not yet made use of the Postal Ballot.

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT :

As required by Clause 49 of the Listing Agreement, the CEO declaration for Code of Conduct is given below :

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

For ITL Industries Limited

**PLACE : INDORE
DATED : 25.08.2010**

**(Rajendra Singh Jain)
Managing Director**

COMPLIANCE CERTIFICATE ON 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, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock Exchange (s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

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

**For MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS**

DATED : 25.08.2010
PLACE : INDORE

**(MAHAVEER K.JAIN)
PROPRIETOR
M.No. 070966**



AUDITOR'S REPORT

To,
The Members of
ITL Industries Ltd.

[I] We have audited the attached Balance Sheet of ITL INDUSTRIES LIMITED as at 31st March, 2010 and also the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

[ii] We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

[iii] As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

[iv] Further to our comments in the annexure referred to above, we report that :-

- (a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.

(c) The Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.

(d) In our opinion, the Balance Sheet and the Profit and loss Account and cash flow statement dealt with by this report comply with the accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.

(e) On the basis of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India :

(I) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010,

(ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date, and;

(iii) In the case of cash flow Statement of the cash flows for the year ended on that date

For MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 001749C

(MAHAVEER K. JAIN)

PROPRIETOR
M. No. 070966

DATED : 25.08.2010
PLACE : INDORE

ANNEXURE

Referred to in Paragraph(iii) of our report of even date on the account of ITL INDUSTRIES LIMITED for the year ended 31st March, 2010
[As required by the Companies (Auditor's Report) Order, 2003]

Statement referred to in Paragraph (iii) of the Auditor's Report of even date to the members of **ITL INDUSTRIES LTD.** on the accounts for the year ended on **31st March-2010.**

As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government Of India in terms of sub section (4A) of section 227 of the companies Act. 1956 and on the basis of such checks as considered appropriate and as per the information and explanations given to us during the course of the audit :

1. (i) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- (ii) As per the information and explanations given to us physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
2. (i) As per the information furnished, the inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.

(ii) In our opinion and according to the information and explanations given to us procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(iii) The company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the company and the same have been properly dealt with the books of accounts.

3. (i) The company has taken loan from Directors and other parties listed in the register maintained under section 301 of the companies Act, 1956 amount outstanding Rs. 12.59 lacs

(ii) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loans taken by the company are not prima facie, prejudicial to the interest of the company.

(iii) There are no over due accounts of the nature referred to in the paragraph.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no



ITL INDUSTRIES LIMITED

- major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the companies Act. 1956 :
 - (i) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
 - (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore, the provisions of section 58 A and 58 AA of the companies Act 1956 and rules made there under are not applicable to the company.
 7. In our opinion the company has an internal audit system commensurate with the size of the company and nature of its business.
 8. The Central Government has prescribed maintenance of the cost records under section 209(i)(d) of the Companies Act, 1956 in respect of the company's product. We have broadly reviewed the books of accounts and records maintained by the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however not made a detailed examination of the records maintained for the above purposes.
 9. (i) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employee State Insurance, Income tax, Sales tax, Custom Duty, Excise Duty, Cess and any other Statutory dues wherever applicable. According to the information and explanations given to us; no undisputed arrears of statutory dues were outstanding as at 31st March 2010 for a period of more than 6 months from the date they became payable.
 - (ii) According to the records of the company, the dues of Sales tax / Income tax/Custom duty / Wealth Tax /Excise Duty / Cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under.

Name Of the Statute	Nature Of Dues	Amount (Rupees In Lacs)	Period to Which Amount Relates	Forum Where Disputes is Pending
M.P.Commercial Tax Act, 1994 & Central Tax Act, 1956	MPCT/VAT/ CST	24.75	2000-01, 2002-03 2003-04, 2004-05 & 2005-06	Tax Tribunal & Commissioner/ Dy. Commissioner Of Commercial Tax, Indore
M.P.Entry Tax Act, 1976	E Tax	1.07	2001-02 & 2003-04	M.P. Commercial Tax Tribunal & Commissioner/Dy.Commissioner Of Commercial Tax, Indore

10. The company does not have accumulated losses as at the end of the year. The company has not incurred cash losses during current & immediately preceding financial year.
11. Based on our audit procedures and on the basis of the information and explanations given by the management, we are of the opinion that the company has generally not defaulted in the repayment of the dues to financial institutions and banks.
12. Based on our examination of records and the information given to us, the company has not granted any loans and/or advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to the Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
14. The company has maintained proper records of the transaction and contract in respect of dealing & trading in shares, securities, debentures and other investments and timely entries have been made therein. All Investments have been made by the company in its own name..
15. According to information and explanations given to us , the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
17. According to the cash flow statement and records examined by us and according to the information & explanations given to us , on over all basis, funds raised on short term basis have prima facie, not been used during the year for long term investment and vice versa.
18. The company has not made any preferential allotment of shares during the year.
19. During the year covered by our Audit Report, the company has not issued secured debentures.
20. The company has not raised money by public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
21. As per information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS

DATED : 25.08.2010
PLACE : INDORE

(MAHAVEER K.JAIN)
PROPRIETOR
M.No. 070966



BALANCE SHEET AS AT 31st March, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
I. SOURCES OF FUND				
1. Share holder's Fund				
A. Share Capital	1	3,25,43,993		3,25,43,993
B. Reserve & Surplus	2	<u>11,41,14,439</u>	14,66,58,432	<u>6,78,01,597</u> 10,03,45,590
2. Loan Fund				
A. Secured Loan	3	11,83,22,329		11,28,74,632
B. Unsecured Loan	4	<u>12,58,899</u>	11,95,81,228	<u>8,58,380</u> 11,37,33,012
3. Deferred Tax Liabilities (Net)			1,36,72,044	1,24,95,194
TOTAL			<u>27,99,11,704</u>	<u>22,65,73,796</u>
II. APPLICATION OF FUND				
1. Fixed Assets				
A. Gross Block	5	12,24,37,576		10,97,32,997
B. Less : Depreciation		<u>3,75,18,156</u>		<u>3,04,77,854</u>
C. Net Block			8,49,19,421	7,92,55,143
Assets Under Construction			64,87,147	15,60,661
2. Investments	6		1,81,98,801	2,38,47,241
3. Current Assets, Loan & Advances				
A. Inventories	7	5,44,27,662		7,14,65,240
B. Sundry Debtors	8	16,14,59,183		10,72,19,910
C. Cash & Bank Balances	9	2,64,96,431		1,73,46,706
D. Loans & Advances	10	<u>9,57,83,023</u>		<u>7,58,20,195</u>
		33,81,66,299		27,18,52,051
Less : Current Liabilities & Provisions	11	<u>16,78,59,963</u>		<u>14,99,41,300</u>
Net Current Assets :			17,03,06,336	12,19,10,751
TOTAL			<u>27,99,11,704</u>	<u>22,65,73,796</u>
Notes on accounts and contingent liabilities	16			

as per our report of even date annexed

The Schedules referred to herein form an integral part of the Balance Sheet

For Mahaveer M.Jain & Co.
Chartered Accountants

Rajendra Singh Jain
Managing Director

Mahendra Singh Jain
Whole Time Director

(Mahaveer K.Jain)
Proprietor
M.No. 070966

DATED : 25-08-2010
PLACE : INDORE

ITL INDUSTRIES LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
I. INCOME			
Sales & Other Income	12	67,63,69,793	34,61,84,892
	TOTAL	67,63,69,793	34,61,84,892
II. EXPENDITURE			
A. Decrease / (Increase) in Stock of work in process & finished goods		15,05,692	(16,31,254)
B. Cost of Raw material Consumed / Sold	13	39,19,49,707	20,79,19,777
C. Manufacturing, Administration and Selling Expenses	14	18,51,27,074	10,42,12,730
D. Interest & Financial overheads	15	1,21,27,413	1,06,97,974
E. Depreciation		70,40,302	59,17,647
	TOTAL	59,77,50,187	32,71,16,874
III. PROFIT BEFORE TAX		7,86,19,606	1,90,68,018
Less : Provision for Taxation current year		2,70,00,000	35,00,000
Less : Income Tax of previous year		3,94,703	4,77,015
Less : Provision for Fringe Benefit Tax		0	4,92,522
Less : Provision for Deferred Tax Liability		11,76,850	27,54,175
IV. PROFIT AFTER TAX		5,00,48,053	1,18,44,306
Add : Balance brought forward from Previous year		3,01,597	22,04,874
V. PROFIT AVAILABLE FOR APPROPRIATION		5,03,49,650	1,40,49,181
Less : Transferred to General Reserve		4,25,00,000	1,00,00,000
Less : Proposed Dividend		32,03,200	32,03,200
Less : Provision for Dividend Distribution Tax		5,32,011	5,44,384
VI. PROFIT CARRIED TO BALANCE SHEET		41,14,439	3,01,597
Notes on accounts and contingent liabilities	16		

as per our report of even date annexed

The Schedules referred to herein form an integral part of the Profit & Loss account

For Mahaveer M.Jain & Co.
Chartered Accountants**Rajendra Singh Jain**
Managing Director**Mahendra Singh Jain**
Whole Time Director**(Mahaveer K.Jain)**
Proprietor
M.No. 070966DATED : 25-08-2010
PLACE : INDORE



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
SCHEDULE-1		
Share holder's Funds :		
Share Capital (Authorised)		
40,00,000 Equity Shares of Rs.10/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Issued, Subscribed & Paid-up		
3297300 Equity Shares of Rs.10/- each	<u>3,29,73,000</u>	<u>3,29,73,000</u>
Less : Amount due on a/c.of Allotment money	<u>4,29,007</u>	<u>4,29,007</u>
TOTAL :	<u>3,25,43,993</u>	<u>3,25,43,993</u>
SCHEDULE-2		
Reserves & Surplus :		
1. Profit & Loss Account	41,14,439	3,01,597
2. General Reserve :		
- Balance as per Last Balance Sheet	6,75,00,000	5,75,00,000
- Add: Transfer from P & L A/c.	4,25,00,000	1,00,00,000
TOTAL :	<u>11,41,14,439</u>	<u>6,78,01,597</u>
SCHEDULE-3		
Secured Loans :		
A. Term Loan:		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage of Company's fixed assets both present and future and personal guarantee of some of the Directors)	1,90,89,563	4,86,51,480
B. Working Capital Loan :		
1. State Bank of Indore	3,85,31,147	2,86,16,820
2. State Bank of India (Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivable both present and future, second charges on fixed assets of the Company & personal guarantee of some of the Directors and mortgage of immovable properties.	6,04,68,429	3,14,33,969
C. From Others :		
(Against hypothecation of Vehicles of the Company and Suppliers Bill discounting)	2,33,189	41,72,363
	<u>11,83,22,329</u>	<u>11,28,74,632</u>
SCHEDULE-4		
Unsecured Loan :		
From Directors	12,58,899	8,58,380
TOTAL :	<u>12,58,899</u>	<u>8,58,380</u>

ITL INDUSTRIES LIMITED

SCHEDULE OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 SCHEDULE - 5 (FIXED ASSETS) :

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2009	Additions during the year	Deduction during the year	TOTAL	Up to 31.03.2009	Provided for the year	Written back during the year	TOTAL	As at 31.03.2010	As at 31.03.2009
Land	1236765	0	0	1236765	0	0	0	0	1236765	1236765
Site Development	150004	0	0	150004	73010	5010	0	78020	71984	76994
Factory Building	30914476	0	0	30914476	8124984	1032544	0	9157528	21756949	22789492
Plant & Machinery	39640741	10146361	0	49787102	8874478	2034917	0	10909395	38877707	30766263
Electrical Equipment	467194	0	0	467194	222513	33031	0	255544	211650	244681
Office Equipment	4322983	593229	0	4916213	1524880	265967	0	1790847	3125365	2798103
Furniture & Fixture	5944988	252415	0	6197403	2504678	391958	0	2896637	3300766	3440309
Computer & Software	19229356	804363	0	20033719	6373330	2668799	0	9042129	10991590	12856026
Motor Car	4659471	888998	0	5548469	1626402	457010	0	2083412	3465057	3033069
Cycle & Handcart	25400	19214	0	44614	18200	1839	0	20038	24575	7200
Technical Know-How	3141619	0	0	3141619	1135379	149227	0	1284606	1857013	2006240
TOTAL -	109732997	12704580	0	122437576	30477854	7040302	0	37518156	84919421	79255143
Previous year -	109564631	8629791	8461425	109732997	27425292	5917647	2865085	30477854	79255143	

PARTICULARS	No. of unit 31.03.2010	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
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SCHEDULE-6

Investments :

a. Unquoted, Non-Trade-Long Term (At cost) :-

- Investment in subsidiary company

ITL International LLC., USA

12,53,066

12,53,066

Luhadia Sons Shahpura P. Ltd.

58,000

-

Dimart Engineering P.Ltd.

4,00,000

-

- Investment in other Company (Unquoted)

40,34,655

28,38,000

b. Quoted but not listed-Current Investments :-

- Investment in Mutual Funds

1,05,66,820

1,90,49,879

c. Quoted and listed :

- Investment in Equity Shares

18,86,260

7,06,296

TOTAL

1,81,98,801

2,38,47,241

- Aggregate market value of quoted but not listed investments in Mutual Fund

99,88,957

1,26,66,503

- Aggregate market value of quoted and listed investments in Equity Shares

19,70,081

3,24,563

SCHEDULE-7

Inventories :

1. Raw Materials & Finished Goods (at cost)

4,28,52,186

5,84,92,414

2. Work in process & Semifinished Goods

1,10,49,410

1,20,78,223

(at estimated manufacturing cost)

3. Finished Products (at estimated mfg.cost)

0

4,76,878

4. Stores, Spares parts & Standard item (at cost)

5,26,066

4,17,725

TOTAL :

5,44,27,662

7,14,65,240



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	No. of unit 31.03.2010	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
SCHEDULE-8			
Sundry Debtors :			
(Unsecured, considered goods)			
A. Outstanding for a period exceeding six months.		2,27,75,466	3,79,93,869
B. Others		<u>13,86,83,717</u>	<u>6,92,26,041</u>
TOTAL :		<u>16,14,59,183</u>	<u>10,72,19,910</u>
SCHEDULE-9			
Cash & Bank Balances :			
Cash in hand		8,15,012	11,67,199
Balance with Scheduled Banks in fixed deposit account		1,93,64,425	1,08,33,608
Accrued interest on Fixed Deposits In Current / OBC accounts		6,03,889	4,98,487
Towards unclaimed Dividend account		45,40,891	37,05,666
		<u>11,72,214</u>	<u>11,41,746</u>
TOTAL :		<u>2,64,96,431</u>	<u>1,73,46,706</u>
SCHEDULE-10			
Loan & Advances :			
i. Recoverable in cash or kind or for value to be received		8,03,15,650	5,74,24,894
ii. Deposits		23,73,000	23,62,309
iii. Advance payment of Income Tax		1,30,94,373	1,60,32,992
TOTAL :		<u>9,57,83,023</u>	<u>7,58,20,195</u>
SCHEDULE-11			
Current Liabilities & Provisions :			
A. Current Liabilities			
i. Sundry Creditors		7,98,11,978	7,32,05,930
ii. Customers Credit Balances		4,71,98,297	5,05,16,966
iii. Other Liabilities		37,80,197	59,73,018
iv. Unclaimed Dividend account		11,72,214	11,41,746
TOTAL (A) :		<u>13,19,62,667</u>	<u>13,08,37,660</u>
B. Provisions			
i. Provision for Income Tax		3,05,00,000	1,42,00,000
ii. Proposed Dividend		32,03,200	32,03,200
iii. Provision for Bonus		13,25,665	10,49,756
iv. Provision for Gratuity		3,36,400	1,06,300
v. Provision for Dividend Distribution Tax		<u>5,32,011</u>	<u>5,44,384</u>
TOTAL (B) :		<u>3,58,97,276</u>	<u>1,91,03,640</u>
GRAND TOTAL (A+B) :		<u>16,78,59,963</u>	<u>14,99,41,300</u>

ITL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C AS AT 31st MARCH, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
SCHEDULE-12		
Sales & Other Income		
A. Sales (Net of Sales Tax)	66,76,53,991	33,93,71,426
B. Job Work	67,97,917	12,48,195
C. Misc. Income	19,17,885	55,65,271
TOTAL :	<u>67,63,69,793</u>	<u>34,61,84,892</u>
SCHEDULE-13		
Cost of Raw Material Consumed / Sold		
Opening Stock	5,84,92,414	4,67,12,901
Add : Purchases	<u>37,63,09,479</u>	<u>21,96,99,290</u>
	43,48,01,893	26,64,12,191
Less: Closing Stock	<u>4,28,52,186</u>	<u>5,84,92,414</u>
TOTAL :	<u>39,19,49,707</u>	<u>20,79,19,777</u>
SCHEDULE-14		
Manufacturing, Administration and Selling Expenses :		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	4,17,725	1,98,180
Add: Purchases	<u>22,66,546</u>	<u>17,40,630</u>
	26,84,271	19,38,810
Less : Closing Stock	<u>5,26,066</u>	<u>4,17,725</u>
Consumed during the year	21,58,205	15,21,085
Packing Materials expenses	8,82,376	11,19,224
Component Processing Charges	1,44,94,309	82,92,528
Power & Fuel	15,97,823	16,26,236
Repair & Maintenance to :		
1. Plant & Machinery	2,64,030	2,95,217
2. Building	1,40,168	2,99,808
Entry Tax	20,32,846	7,97,038
Excise Duty	4,62,50,518	2,50,60,727
Freight & Cartage inward	48,07,966	33,03,004
Misc. Expenses	1,09,33,638	65,44,948
Security Transaction Tax	17,233	9,923
TOTAL (A) :	<u>8,35,79,112</u>	<u>4,88,69,738</u>
B. Employees Remuneration & Benefits:		
Salary, Wages & Allowances : (Including Bonus & Ex-gratia)	2,49,76,160	2,29,76,035
Contribution to E.S.I.C.	3,42,793	3,29,428
Contribution to Provident Fund	6,80,585	5,91,618
Contribution to Public Provident Fund	2,16,000	1,68,480
Welfare Expenses	9,66,872	5,11,645
Director's Remuneration	29,61,192	23,37,628
TOTAL (B) :	<u>3,01,43,602</u>	<u>2,69,14,834</u>



**SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C. AS AT 31st MARCH, 2010**

PARTICULARS	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2009 (Rs.)
C. General & Administrative Overheads :		
Rent, Rates & Taxes	17,15,754	13,75,319
Electricity Charges	2,30,763	1,70,949
Stationery & Printing	7,38,316	5,08,602
Postage & Courier	2,45,298	2,41,729
Telephones & Internet	12,17,592	13,02,812
Travelling & Conveyance	74,15,230	65,02,577
Legal & Professional	66,70,214	40,06,308
Auditor's Remuneration	50,000	50,000
Insurance	6,18,964	3,07,277
Loss on Sale of Fixed Assets	0	4,33,821
Loss on Sale of Investment	4,99,198	15,31,266
Misc.Expenses	23,31,602	13,29,708
TOTAL (C) :	<u>2,17,32,928</u>	<u>177,60,368</u>
D. Selling & Distribution Expenses :		
Sales Promotion Expenses	5,73,616	4,84,824
Freight & Cartage outward	32,89,660	13,71,580
Freight & Cartage For Export	3,58,741	6,91,881
Sales Commission & Discount	37,05,105	25,77,025
Advertisement & Exhibition expenses	36,47,077	24,47,028
Bad Debts	1,70,34,533	12,48,437
Late Delivery Charges	1,97,28,662	3,64,915
Misc.Expenses	1,99,453	1,41,829
After Sales & Service Exps.	10,90,689	12,64,038
GTA on Freight Inward	43,896	76,233
TOTAL (D) :	<u>4,96,71,432</u>	<u>1,06,67,790</u>
GRAND TOTAL (A+B+C+D) :	<u>18,51,27,074</u>	<u>10,42,12,730</u>
SCHEDULE-15		
Interest & Finance charges		
Interest on Fixed Period Loans	40,78,483	32,97,606
Interest on Other Loans (Net)	58,47,640	52,83,704
Other Financial charges	22,01,290	21,16,664
TOTAL :	<u>1,21,27,413</u>	<u>1,06,97,974</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2010

SCHEDULE - '16'

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

1. ACCOUNTING POLICIES:

The Company generally follows the Mercantile System of accounting recognizing both Income and Expenditure on accrual basis.

The accounts are prepared on historical basis and as a going concern, accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles..

A. Sales :

Sales comprise sale of goods net of trade discount and sales-tax.

B. Research & Development :

Research and development costs (other than cost of Fixed Assets acquired/developed) are charged as an expenses in the year in which they are incurred.

C. Retirement Benefits :

Provision for accruing liabilities for Gratuity has been made on the basis of the liability as actually determined as at the year end, and contribution are being made to L.I.C. of India under its Group Gratuity Fund. However, Leave encashment on separation has been accounted for on payment basis.

D. Depreciation :

Depreciation is provided under the 'Straight Line Method' at rates provided under Schedule XIV of the Companies Act, 1956. The Company has not provided depreciation on assets of Agro division as the assets are not used during the year consequently the depreciation for the year is lower by Rs.1,25,332/-.

E. Inventories :

Work in process semi finished goods and finished goods are valued at estimated manufacturing cost.

Stock of raw materials, Bought out items and stores spare and standard items is valued at moving average cost.

F. Excise Duty :

Excise Duty payable on finished goods held in plant is neither included in expenditure nor valued in stocks, but is accounted for on clearance of goods from plant. This accounting treatment has no impact on profits.

G. Taxes on Income :

- i) Current tax is determined on the basis of the amount of tax payable on taxable income for the year.
- ii) In accordance with Accounting standard 22 "Accounting for taxes on Income" issued by the institute of Chartered Accountants of India, amount of deferred tax for the timing difference between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or subsequently enacted as of the Balance Sheet date.

2. CONTINGENT LIABILITIES :

- i) Guarantees issued by Banks Rs. 3,38,62,545/-
- ii) Tax demand for MPCT & CST for the years 2000-01 to 2005-06 appealed against but not provided for in accounts Rs. 24,74,663/-
- iii) Tax demands for Entry Tax for 2001-02, 2003-04 & 2004-05 appealed against but not provided for in accounts. Rs. 1,06,690/-

3. Balance confirmation from parties have not been obtained.

4. Auditor's Remuneration includes the following :-

	2009-2010	2008-2009
a) For Statutory Audit	40,000/-	40,000/-
b) For Tax Audit	5,000/-	5,000/-
c) For reimbursement of expenses.	5,000/-	5,000/-
TOTAL:	50,000/-	50,000/-



5. **Managerial Remuneration :**

Particulars of remuneration to the Directors (Including remuneration & perquisites of Managing Director of Rs.16,76,592/-)

	<u>2009-2010</u>	<u>2008-2009</u>
1) Salary, Allowances & Bonus	27,00,000/-	22,74,480/-
2) PPF Contribution	2,16,000/-	1,68,480/-
3) Other Perquisites	45,192/-	63,148/-
4) Sales Commission	8,81,513/-	6,25,951/-
TOTAL:	<u>38,42,705/-</u>	<u>31,32,059/-</u>

The Company has been advised that the computation of net profits for the purpose of Directors' Remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission by way of percentage of profits is payable for the year to any of the Directors of the Company.

6. **Expenditure / Remittances in Foreign Currency on Account of:-**

	<u>2009-2010</u>	<u>2008-2009</u>
-- Raw Materials	4,76,12,406/-	2,13,23,796/-
-- Others	7,76,114/-	39,77,916/-
TOTAL:	<u>4,83,88,520/-</u>	<u>2,53,01,712/-</u>

7. **Earnings in Foreign Exchange :-**

	<u>2009-2010</u>	<u>2008-2009</u>
-- Export of Goods on CIF / FOB Basis and Advance from customers	1,27,19,190/-	1,47,37,549/-
TOTAL:	<u>1,27,19,190/-</u>	<u>1,47,37,549/-</u>

8. **Particulars of consumption of Imported and Indigenous Raw Materials:**

	<u>2009-2010</u>		<u>2008-2009</u>	
	<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>
Imported	4,76,12,406/-	12.15%	2,13,23,796/-	10.26%
Indigenous	<u>34,43,37,301/-</u>	<u>87.85%</u>	<u>18,65,95,981/-</u>	<u>89.74%</u>
Total :	<u>39,19,49,707/-</u>	<u>100.00%</u>	<u>20,79,19,777/-</u>	<u>100.00%</u>

9. **Particulars of Sales :**

<u>ITEMS</u>	<u>2009-2010</u>		<u>2008-2009</u>	
	<u>Qty.</u>	<u>Amount (Rs.)</u>	<u>Qty.</u>	<u>Amount (Rs.)</u>
1. Bandsaw Machines & Special Purpose Machines	216	53,95,49,653/-	167	23,59,01,895/-
2. Bimetallic Bandsaw Blades & spares		5,93,73,767/-	--	4,30,05,912/-
3. Oil Hydraulic, Elements accessories, Spare parts, M.S.Round, Sheet & Others		6,87,30,571/-	--	6,04,63,619/-
Total :		<u>66,76,53,991/-</u>		<u>33,93,71,426/-</u>

10. As explained to us, quantitative data can not be given as the production represents machine fabrication castings assembling of elements etc. against individual tailor made orders. In the case of Trading activities the items involved are large in numbers.

11. Income Tax Assessments of the Company have been completed upto assessment Year 2008-09.

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

SEGMENT WISE REPORT FOR YEAR ENDED 31st MARCH, 2010

- Primary Business Segment

I. Information about Business Segments :

(Rs.in lacs)

PARTICULARS	Year ended 31/03/2010	Year ended 31/03/2009
1. Segment Revenue :		
Machine Manufacturing	6128.01	2899.67
Trading Activities	806.19	709.39
Total	6934.20	3609.06
Less : Inter Segment Revenue	170.50	147.21
Net Sales / Income from Operation	6763.70	3461.85
2. Segment Profit / (Loss) before Tax and interest :		
Machine Manufacturing	798.34	235.23
Trading Activities	109.13	62.43
Total	907.47	297.66
Less : Interest	121.27	106.98
Net Profit before Tax	786.20	190.68
3. Capital Employed :		
(Seg.Assets - Seg. Liabilities)		
Machine Manufacturing	880.77	510.95
Trading Activities	585.81	492.51
Total	1466.58	1003.46

II. Information about geographical Segments :

(Rs. In lacs)

PARTICULARS	Within India	Outside India	Total
1. Net Sales / Income from Operations	6636.51	127.19	6763.70

13. Related party disclosures in terms of Accounting Standard 18:

(a) ITL International LLC, USA : (A Wholly Owned Subsidiary Company) Capital contribution-Rs.12,53,066.00 Outstanding Balance as on 31/03/2010	:	Rs.	1,07,510	(Dr.)
(b) Remswags Marketing Pvt.Ltd. : (A Company controlled by relatives of Directors)				
Sales	:	Rs.	83,500	
Purchases	:	Rs.	1,65,83,409	
Outstanding Balance as on 31/03/2010	:	Rs.	7,47,409	(Cr.)
(c) Indore Tools Pvt.Ltd. : (A Company controlled by relatives of Directors)				
Investment in shares		Rs	18,25,000	
Sales	:	Rs.	34,25,000	
Purchases	:	Rs.	2,22,41,052	
Outstanding Balance as on 31/03/2010	:	Rs	1,56,72,444	(Dr.)
(d) Luhadia Sons Shahpura Pvt. Ltd. (Subsidiary Company)				
Extent of Holding 58%				
Purchase of Shares	:	Rs.	58,000	
Advance made	:	Rs.	64,51,000	



(e) Dimart Engineering Pvt. Ltd. (Subsidiary Company)

Extent of Holding 80%

Purchase of Shares	:	Rs.	4,00,000
Advance made	:	Rs.	2,16,68,879

(f) Remuneration paid to relatives of Key management personnel :

Shri Ravish Jain	:	Rs.	7,45,920
Shri Manish Jain	:	Rs.	7,45,920
Shri Prakhar Jain	:	Rs.	7,45,920

14. The Company has invested Rs.12,53,066/- in M/s.ITL International LLC (USA). Pending commencement of commercial activities, no statement of accounts for the year ended 31.12.2009 have been drawn.

15. The Earning Per Share (EPS) is worked out as under (AS 20) :

	<u>2009-2010</u>	<u>2008-2009</u>
A. Profit after tax	5,00,48,052/-	1,18,44,306/-
B. Weighted Average Number of shares (Paid-Up) outstanding during the year	32,54,399	32,54,399
C. Earning per share (A/B)	15.38	3.64
D. Face Value per share	10/-	10/-

16. Disclosure as per Clause 32 of the Listing Agreement

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

Name of the Company	Relationship	Amt.Outstanding as on 31.3.2010	Maximum balance outstanding during the year
ITL International LLC (USA) (Wholly owned)	Subsidiary	107510	107510
Luhadia Sons Shahpura Pvt. Ltd. (58% stake by ITL Industries Ltd.)	Subsidiary	6481000	6481000
Dimart Engineering Pvt. Ltd. (80% stake by ITL Industries Ltd.)	Subsidiary	21668879	21668879

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

18. No amount is paid / payable by the Company under section 441A of the Companies Act, 1956 (cess on turnover), since the rules specifying the manner in which the cess shall be paid has not been notified yet by the Central Government

19. Previous year's figures have been reworked, regrouped and reclassified wherever necessary.

ITL INDUSTRIES LIMITED

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1. Registration Details :

Registration No. 5 0 3 7 State Code 1 0
Balance Sheet Date 3 1 · 0 3 · 2 0 1 0

2. Capital Raised during the Year (Amount in Rs.Thousand) :

Public Issue N I L Right Issue N I L
Bonus Issue N I L Private Placement N I L

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand) :

Total Liabilities 2 7 9 9 1 2 Total Assets 2 7 9 9 1 2

Sources of Funds:-

Paid-up Capital 3 2 5 4 4
Reserves & Surplus 1 1 4 1 1 5
Secured Loans 1 1 8 3 2 2
Unsecured Loans 1 2 5 9
Deferred Tax Liabilities (Net) 1 3 6 7 2

Application of Funds :-

Net Fixed Assets 9 1 4 0 7
Investments 1 8 1 9 9
Net Current Assets 1 7 0 3 0 6
Misc. Expenditure N I L
Accumulated Losses N I L

4. Performance of Company (Amount in Rs.Thousand):

Turnover (Including- 6 7 6 3 7 0 Total Expenditures 5 9 7 7 5 0
other Income)
Profit / (Loss) before 7 8 6 2 0 Profit / (Loss) 5 0 0 4 8
Tax after tax
Earning Per Share Rs. 1 5 . 3 8 Dividend Rate % 1 0

5. Generic Names of three Principal Products/Service of the Company (As per monetary Terms):

Item Code No. (ITC Code)

Product Description

8 4 6 1 5 0 · 0 1

H O R I Z O N T A L B A N D S A W M / C

8 4 6 1 5 0 · 0 2

V E R T I C A L B A N D S A W M / C

8 4 6 1 5 0 · 0 5

P O W E R H A C K S A W M / C

As per our report of even date annexed

For MAHAVEER M.JAIN & CO.
Chartered Accountant

(MAHAVEER K.JAIN)
Proprietor
M.No. 070966

Place : Indore
Date : 25.08.2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	Amount in Rs. Year ended 31st March,10	Amount in Rs. Year ended 31st March,09
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra Ordinary Adjustments:	7,86,19,606	1,90,68,018
Depreciation for the year	70,40,302	59,17,647
Interest Paid	<u>1,21,27,413</u>	<u>1,06,97,974</u>
Operating Profit before working capital changes	9,77,87,321	3,56,83,639
ADJUSTMENT :		
Trade and other receivables	(5,42,39,273)	(1,61,23,634)
Inventories	1,70,37,578	(1,36,30,312)
current Liabilities & Provision	1,78,88,196	1,76,24,242
Other Current Assets	<u>(1,99,62,828)</u>	<u>(31,430,358)</u>
Cash Generated from operation	5,85,10,994	(78,76,423)
Interest paid	(1,21,27,413)	(1,06,97,974)
Direct Tax paid (Net)	<u>(2,73,94,703)</u>	<u>(44,69,537)</u>
Cash Flow before extra ordinary adjustments	1,89,88,878	2,30,43,934
Extra Ordinary Items :		
Loss / Profit on Sale of Fixed Assets	0	4,33,821
NET CASH FLOW FROM OPERATING ACTIVITIES	Total (A) : <u>1,89,88,878</u>	<u>2,26,10,113</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Net)	(1,76,31,065)	(49,52,934)
Investment made during the year	56,48,440	(32,72,450)
NET CASH USED IN INVESTING ACTIVITIES	Total (B) : <u>(1,19,82,625)</u>	<u>(82,25,384)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long Term Borrowings (Net)	(3,31,00,572)	2,51,76,111
Prodeeds from Short Term Borrowings	3,89,48,787	1,83,83,896
Dividend / Corporate Dividend Tax paid	<u>(37,35,211)</u>	<u>(37,47,584)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	Total (C) : <u>21,13,004</u>	<u>3,98,12,423</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENT	Total (A+B+C) <u>91,19,257</u>	<u>89,76,926</u>
CASH AND CASH EQUIVALENT AS AT 01.04.2009 (Opening Balance)	1,62,04,960	72,28,034
CASH AND CASH EQUIVALENT AS AT 31.03.2010 (Closing Balance)	2,53,24,217	1,62,04,960

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of ITL Industries Limited derived from the financial statement for the year ended 31st March, 2010 and found the same to be in accordance therewith and also with the requirements of Clause 32 of the Listing agreement with Stock Exchanges.

For **MAHAVEER M. JAIN & CO.**
CHARTERED ACCOUNTANTS

DATED : 25.08.2010
PLACE : INDORE

(MAHAVEER K.JAIN)
PROPRIETOR
M.No. 070966

**STATEMENT PURSUANT TO SECTION 312 OF THE COMPANIES
ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

1	Name of the Subsidiary	Dimart Engineering Pvt. Limited	Luhadia Sons Shahpura Pvt. Limited
2	Number of Shares in the Subsidiary Company held by ITL Industries Ltd. (a) Equity Shares (b) Equity Holding	 40000 80%	 5800 58%
3	The Net Aggregate of Profits / (Losses) of the Subsidiary Company for its Financial year so far as they concern the Member of ITL Industries Ltd. :- (a) Dealt with in the Accounts of ITL Industries Ltd. for the year ended 31/03/2010 (b) Not Dealt with in the Accounts of ITL Industries Limited for the year ended 31/03/2010 (Net of Taxes)	The Company has not commenced business operations NIL NIL	The Company has not commenced business operations NIL NIL
4	The Net Aggregate of Profits / (Losses) of the Subsidiary Company for the previous financial year so far as they concern the Member of ITL Industries Ltd. :- (a) Dealt with in the Accounts of ITL Industries Ltd. upto year ended 31/03/2009 (b) Not Dealt with in the Accounts of ITL Industries Ltd. upto year ended 31/03/2009	 N.A. N.A.	 N.A. N.A.

Note: As the financial year of the Company coincide with the financial year of the holding Company, Section 212(5) of the Companies Act, 1956, is not applicable.

DIRECTOR'S REPORT

To
The Members
Dimart Engineering Pvt. Ltd,
Indore

Dear Shareholders,

Your Directors have pleasure in presenting the 1st Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31 March, 2010.

FINANCIAL RESULTS

The Company has not commenced its operation . A statement of preoperative expenses has been prepared showing expenditure of Rs.80534/-.

GENERAL REVIEW

The formalities in connection with Transfer of Use of Land are in process. Your directors are hopeful to establish an industrial unit after completion of legal formalities and development of Land and building.

ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the year under review.

PARTICULARS OF EMPLOYEES

None of the employee of the company received remuneration in excess of the limit specified u/s 217 (2A) of the Companies Act, 1956.

DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

The details as required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are not applicable to the Company having regard to the nature of business of the Company.

DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In presentation of the annual accounts, the applicable standards had been followed along with proper explanation relating to material departures;
2. 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 your Company at the end of the financial year;
3. 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 your Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s Mahaveer M. Jain & Co., Chartered Accountants, retiring auditors is eligible for re-appointment and offers them for reappointment.

APPRECIATION

We wish to place on record our deep and sincere appreciation for the contribution made by the workers, staff and executives to the performance of the Company.

For and On behalf of the Board of Directors

(Rajendra Singh Jain)
Director

Date : 14th August, 2010
Place :Indore

(Mahendra Singh Jain)
Director

AUDITOR'S REPORT

To
**The Members of
Dimart Engineering Pvt. Ltd,
Indore**

We have audited the annexed Balance sheet of **DIMART ENGINEERING PRIVATE LIMITED**, as at 31/03/2010 and the Statement of Pre-operative Expenses for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted Our audit in accordance with auditing standards generally accepted in India. Those Standards require that We plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the Department of Company Affairs, in terms of section 227 (4A) of the Companies Act, 1956, since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.
2. Further to Our comments in the annexure referred to in paragraph 1 above, We state that:
 - (a) We have obtained all the information and explanations, which to the best of Our knowledge and belief were necessary for the purpose of Our audit;
 - (b) In Our opinion books of accounts as required by the law have been kept by the Company so far as it appears from the examination of such books;
 - (c) The Balance Sheet and the Statement of Pre-Operative Expenses, dealt with by this report, are in agreement with the said books of accounts;
 - (d) In Our opinion the Balance Sheet and Statement of Preoperative Expenses comply with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as of 31/03/2010 and taken on record by the board of directors, We report that none of the directors is disqualified as of 31/03/2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In Our opinion and to the best of Our information and according to the explanations given to us, read with Accounting Policies and notes on Accounts mentioned in schedule 6 the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31/03/2010 and;
 - (ii) In the case of the Statement of Pre-operative Expenses of the Expenditure incurred by the Company for the period ended on that date.

For Mahaveer M. Jain & Co.
(Chartered Accountants)
Firm Regn. No. 001749C

(Mahaveer K. Jain)
Proprietor
M.No. 070966

Place : Indore
Dated: 14/08/2010



BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2010 (Rs.)
I. SOURCES OF FUND			
1. Share holder's Fund			
Share Capital	1		5,00,000
2. Loan Fund			
Unsecured Loan	2		2,16,99,579
	TOTAL		<u>2,21,99,579</u>
II. APPLICATION OF FUND			
1. Fixed Assets			
A. Gross Block (Land)		2,19,63,500	
B. Less : Depreciation		0	
C. Net Block		<u>2,19,63,500</u>	2,19,63,500
2. Current Assets, Loan & Advances			
Cash & Bank Balances	3	<u>1,29,500</u>	
		1,29,500	
Less : Current Liabilities & Provisions	4	<u>5,305</u>	
Net Current Assets :			1,24,195
3. Miscellaneous Expenditure (to the extent not written off/ adjusted)	5		1,11,884
	TOTAL		<u>2,21,99,579</u>
Notes on Accounts	6		

As per our report of even date annexed

The Schedules referred to herein form an integral part of the Balance Sheet

For Mahaveer M.Jain & Co.
(Chartered Accountants)

(Mahendra Singh Jain)
DIRECTOR

(Rajendra Singh Jain)
DIRECTOR

(Mahaveer K.Jain)
Proprietor
M.No. 070966

DATED : 14/08/2010
PLACE : INDORE

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)
SCHEDULE-1	
Share holder's Fund :	
Share Capital (Authorised)	
50,000 Equity Shares of Rs.10/- each	5,00,000
Issued, Subscribed & Paid-up	
50,000 Equity Shares of Rs.10/- each	5,00,000
(Including 40000 shares held by ITL Industries Ltd. i.e. the Holding Co.)	
TOTAL :	<u><u>5,00,000</u></u>
SCHEDULE-2	
Unsecured Loan :	
1. Advance from Directors/ Shareholders	30,700
2. Loan from ITL Industries Ltd.(Holding Co.)	2,16,68,879
TOTAL :	<u><u>2,16,99,579</u></u>
SCHEDULE-3	
Cash & Bank Balances :	
Cash in hand	1,00,000
Balance with Scheduled Banks on Current A/C	29,500
TOTAL :	<u><u>1,29,500</u></u>
SCHEDULE-4	
Current Liabilities & Provisions :	
Outstanding Expenses :	
Audit fees	5,000
Electricity Charges	305
TOTAL :	<u><u>5,305</u></u>
SCHEDULE-5	
Miscellaneous Expenditure :	
Preliminary Expenses	31,350
Pre-operative Exps.	80,534
TOTAL :	<u><u>1,11,884</u></u>

SCHEDULE NO. 6

NOTES ON ACCOUNTS

1. Significant Accounting Policies

(a) Basis of Preparation

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP), applicable Accounting Standards issued by The Institute of Chartered Accountants of India and under the historical cost convention, on accrual basis.

(b) Revenue Recognition

The Company generally follows the Mercantile System of Accounting recognizing both Income and Expenditure on Accrual Basis.

2. Contingent Liabilities : Nil

3. There are no other amounts due to any other SSI undertakings.

4. Related Parties Disclosure:

1. ITL Industries Ltd. (Holding Co. having 80% Stake)

Loan received	Rs. 21668879
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2. Shri Mahendra Singh Jain (Director)

Loan received	Rs. 15350
---------------	-----------
3. Shri Rajendra Singh Jain (Director)

Loan received	Rs. 15350
---------------	-----------

5. Auditor's Remuneration includes the following :

PARTICULARS	2009-10
A. Audit Fees	Rs. 5000
Total	Rs. 5000

6. The Company has not commenced its activities, hence a statement of Pre-operative Expenses has been drawn up.

7. The Company was incorporated on 08/09/2009. It is the first Balance Sheet, hence there are no figures for the previous year.



PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. State Code
 Balance Sheet Date

2. Capital Raised during the Year (Amount in Rs.Thousand) :

Public Issue Right Issue
 Bonus Issue Private Placement

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand) :

Total Liabilities Total Assets

Sources of Funds:-

Paid-up Capital
 Share Application Money
 Reserves & Surplus
 Secured Loans
 Unsecured Loans

Application of Funds :-

Net Fixed Assets
 Investments
 Net Current Assets
 Misc.Expenditure
 Accumulated Losses

4. Performance of Company (Amount in Rs.Thousand):

Turnover (Including- other Income) Total Expenditures
 Profit / (Loss) before Tax Profit / (Loss) after tax
 Earning Per Share Rs. Dividend Rate %

5. Generic Names of three Principal Products/Service of the Company (As per monetary Terms):

Item Code No. (ITC Code)

Product Description

The Company has not commenced its operation, hence not provided.

As per our report of even date annexed

For Dimart Engineering Pvt. Ltd.

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director

DIRECTOR'S REPORT

**To
The Members,
Luhadia Sons Shahpura Pvt. Ltd,
Indore**

Dear Shareholders,

Your Directors have pleasure in presenting the 1st Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31 March, 2010.

FINANCIAL RESULTS

The Company has not commenced its operation . A statement of preoperative expenses has been prepared showing expenditure of Rs. 5500/-.

GENERAL REVIEW

The company has made advance for purchase of land. The Company shall be in a position to buy land for the objects with the help of funds made available by Holding Company, ITL Industries Ltd. The operations shall commence after completion of Legal Formalities and construction of Building

ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the year under review.

PARTICULARS OF EMPLOYEES

None of the employee of the company received remuneration in excess of the limit specified u/s 217 (2A) of the Companies Act, 1956.

DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

The details as required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are not applicable to the Company having regard to the nature of business of the Company.

DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In presentation of the annual accounts, the applicable standards had been followed along with proper explanation relating to material departures;
2. 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 your Company at the end of the financial year;
3. 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 your Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s Mahaveer M. Jain & Co., Chartered Accountants, retiring auditors is eligible for re-appointment and offers them for reappointment.

APPRECIATION

We wish to place on record our deep and sincere appreciation for the contribution made by the workers, staff and executives to the performance of the Company.

For and On behalf of the Board of Directors

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director



AUDITOR'S REPORT

To
**The Members of
Luhadia Sons Shahpura Private Limited
Indore**

We have audited the annexed Balance sheet of **LUHADIA SONS SHAHPURA PRIVATE LIMITED**, as at 31/03/2010 and the Statement of Pre Operative Expenses for the period from 24/03/2010 to 31/03/2010 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the Department of Company Affairs, in terms of section 227 (4A) of the Companies Act, 1956, since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.
2. Further to Our comments in the annexure referred to in paragraph 1 above, We state that:
 - (a) We have obtained all the information and explanations, which to the best of Our knowledge and belief were necessary for the purpose of Our audit;
 - (b) In Our opinion books of accounts as required by the law have been kept by the Company so far as it appears from the examination of such books;
 - (c) The Balance Sheet and the Statement of Pre Operative Expenses, dealt with by this report, are in agreement with the said books of accounts;
 - (d) In Our opinion the Balance Sheet and Statement of Pre Operative Expenses comply with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as of 31/03/2010 and taken on record by the board of directors, We report that none of the directors is disqualified as of 31/03/2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In Our opinion and to the best of Our information and according to the explanations given to us, read with Accounting Policies and notes on Accounts mentioned in schedule 7, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31/03/2010 and;
 - (ii) In the case of the Statement of preoperative expenses of the expenditure incurred for the period ended on that date.

For Mahaveer M. Jain & Co.
(Chartered Accountants)
Firm Regn. No. 001749C

(Mahaveer K. Jain)
Proprietor
M.No. 070966

Place : Indore
Dated: 14/08/2010

LUHADIA SONS SHAHPURA PVT. LTD.

BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2010 (Rs.)
I. SOURCES OF FUND			
1. Share holder's Fund			
Share Capital	1		1,00,000
2. Loan Fund			
Unsecured Loan	2		65,12,800
	TOTAL		<u>66,12,800</u>
II. APPLICATION OF FUND			
1. Fixed Assets			
			0.00
2. Current Assets, Loan & Advances			
a) Cash & Bank Balances	3	1,09,350	
b) Loan and advances	4	<u>64,81,000</u>	
		65,90,350	
Less : Current Liabilities & Provisions	5	<u>5,000</u>	
Net Current Assets :			<u>65,85,350</u>
3. Miscellaneous Expenditure			
(to the extent not written off/ adjusted)	6		27,450
	TOTAL		<u>66,12,800</u>
Notes on Accounts	7		

As per our report of even date annexed

The Schedules referred to herein form an integral part of the Balance Sheet

For Mahaveer M.Jain & Co.
(Chartered Accountants)

(Mahendra Singh Jain)
DIRECTOR

(Rajendra Singh Jain)
DIRECTOR

(Mahaveer K.Jain)
Proprietor
M.No. 070966

DATED : 14/08/2010
PLACE : INDORE



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)
SCHEDULE-1	
Share holder's Fund	
Share Capital (Authorised)	
10,000 Equity Shares of Rs.10/- each	1,00,000
Issued, Subscribed & Paid-up	
10,000 Equity Shares of Rs.10/- each	1,00,000
(Including 5800 shares held by ITL Industries Ltd. i.e. the Holding Co.)	
TOTAL :	1,00,000
SCHEDULE-2	
Unsecured Loan	
1. Advance from Directors/ Shareholders	31,800
2. Loan from ITL Industries Ltd.(Holding Co.)	64,81,000
TOTAL :	65,12,800
SCHEDULE-3	
Cash & Bank Balances :	
Cash in hand	9,350
Cheque in hand	1,00,000
TOTAL :	1,09,350
SCHEDULE-4	
Loan and advances :	
Recoverable in cash or kind or for value to be received	
Advance for purchase of land	64,81,000
TOTAL :	64,81,000
SCHEDULE-5	
Current Liabilities & Provisions :	
Outstanding Expenses	5,000
TOTAL :	5,000
SCHEDULE-6	
Miscellaneous Expenditure :	
Preliminary Expenses	21,950
Pre-operative Expenses	5,500
TOTAL :	27,450
SCHEDULE NO.7	
NOTES ON ACCOUNTS	
1. Significant Accounting Policies	
(a) Basis of Preparation	
The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP), applicable Accounting Standards issued by The Institute of Chartered Accountants of India and under the historical cost convention, on accrual basis.	
(b) Revenue Recognition	
The Company generally follows the Mercantile System of Accounting recognizing both Income and Expenditure on Accrual Basis.	
2. Contingent Liabilities :	
Commitment on Capital A/c. in connection with purchase of Land Rs.33.19 Lacs	
3. There are no other amounts due to any other SSI undertakings.	
4. Related Parties Disclosure:	
1. ITL Industries Ltd. (Holding Co. having 58% Stake)	
Loan received	Rs. 6481000
2. Shri Mahendra Singh Jain (Director)	
Loan received	Rs. 15900
3. Shri Rajendra Singh Jain (Director)	
Loan received	Rs. 15900
5. Auditor's Remuneration includes the following :	
PARTICULARS	
A. Audit Fees	2009-10 Rs. 5000
Total	Rs. 5000
6. The Company has not commenced its activities, hence a statement of Pre-operative Expenses has been drawn up.	
7. The Company was incorporated on 24/03/2010. It is the first Balance Sheet, hence there are no figures for the previous year.	

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. State Code
 Balance Sheet Date

2. Capital Raised during the Year (Amount in Rs.Thousand) :

Public Issue Right Issue
 Bonus Issue Private Placement

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand) :

Total Liabilities	<input type="text" value="6613"/>	Total Assets	<input type="text" value="6613"/>
Sources of Funds:-		Application of Funds :-	
Paid-up Capital	<input type="text" value="100"/>	Net Fixed Assets	<input type="text" value="0"/>
Share Application Money	<input type="text" value="0"/>	Investments	<input type="text" value="0"/>
Reserves & Surplus	<input type="text" value="0"/>	Net Current Assets	<input type="text" value="6586"/>
Secured Loans	<input type="text" value="0"/>	Misc. Expenditure	<input type="text" value="27"/>
Unsecured Loans	<input type="text" value="6513"/>	Accumulated Losses	<input type="text" value="0"/>

4. Performance of Company (Amount in Rs.Thousand):

Turnover (Including- other Income)	<input type="text" value="0"/>	Total Expenditures	<input type="text" value="0"/>
Profit / (Loss) before Tax	<input type="text" value="0"/>	Profit / (Loss) after tax	<input type="text" value="0"/>
Earning Per Share Rs.	<input type="text" value="0"/>	Dividend Rate %	<input type="text" value="0"/>

5. Generic Names of three Principal Products/Service of the Company (As per monetary Terms):

Item Code No. (ITC Code)	Product Description
<input type="text" value=""/>	The Company has not commenced its operation, hence not provided.

As per our report of even date annexed

For Luhadia Sons Shahpura Pvt. Ltd.

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director



AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Members, ITL Industries Limited

We have audited the attached consolidated balance sheet of ITL Industries Limited as at 31 March 2010 and also the consolidated Profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the ITL Industries Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with the auditing standards generally accepted in India. These standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the ITL Industries Limited's management in accordance with the requirement of AS-21 on consolidated financial statement issued by The Institute of Chartered Accountants of India.

Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principle generally accepted in India:-

- In the case of consolidated balance sheet, of the state of affairs of ITL Industries Limited as at 31st March, 2010.
- In the case of consolidated profit and loss account, of the profit of ITL Industries Limited for the year ended on that date.

For Mahaveer M. Jain & Co.
(Chartered Accountants)
Firm Regn. No. 001749C

(Mahaveer K. Jain)
Proprietor
M.No. 070966

Place : Indore
Dated: 25/08/2010

ITL INDUSTRIES LIMITED

ITL INDUSTRIES LIMITED CONSOLIDATED BALANCE SHEET AS AT 31st March, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)	Amount As At 31.03.2010 (Rs.)
I. SOURCES OF FUND :			
1. Share holder's Fund			
A. Share Capital	1	3,25,43,993	
B. Reserve & Surplus	2	<u>11,41,14,439</u>	14,66,58,432
2. Minority interest	3		1,42,000
3. Loan Fund			
A. Secured Loan	4	11,83,22,329	
B. Unsecured Loan	5	<u>13,21,399</u>	11,96,43,728
4. Deferred Tax Liabilities (Net)			<u>1,36,72,044</u>
TOTAL			<u>28,01,16,204</u>
II. APPLICATION OF FUND :			
1. Fixed Assets			
A. Gross Block	6	14,44,01,076	
B. Less : Depreciation		<u>3,75,18,156</u>	
C. Net Block			10,68,82,920
Assets Under Construction			64,87,147
2. Investments :	7		1,77,40,800
3. Current Assets, Loan & Advances :			
A. Inventories	8	5,44,27,662	
B. Sundry Debtors	9	16,14,59,183	
C. Cash & Bank Balances	10	2,67,35,281	
D. Loans & Advances	11	<u>7,41,14,144</u>	
		<u>31,67,36,270</u>	
Less : Current Liabilities & Provisions	12	<u>16,78,70,268</u>	
Net Current Assets :			14,88,66,003
4. Miscellaneous Expenditure :			1,39,334
TOTAL			<u>28,01,16,204</u>
Notes on Accounts & Contingent Liabilities	17		

As per our report of even date annexed

The Schedules referred to herein form an integral part of the Balance Sheet

For Mahaveer M.Jain & Co.
Chartered Accountants

Rajendra Singh Jain
Managing Director

Mahendra Singh Jain
Whole Time Director

(Mahaveer K.Jain)
Proprietor

DATED : 25-08-2010
PLACE : INDORE



ITL INDUSTRIES LIMITED
CONSOLIDATED PROFIT & LOSS A/C. FOR THE YEAR ENDED ON 31st MARCH, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)
I. INCOME :		
Sales & Other Income	13	67,63,69,793
	TOTAL	<u>67,63,69,793</u>
II EXPENDITURE :		
A. Decrease / (Increase) in Stock of work in process & finished goods		15,05,692
B. Cost of Raw material Consumed / Sold	14	39,19,49,707
C. Manufacturing, Administration and Selling Expenses	15	18,51,27,074
D. Interest & Financial overheads	16	1,21,27,413
E. Depreciation		70,40,302
	TOTAL	<u>59,77,50,187</u>
III. PROFIT BEFORE TAX :		
Less : Provision for Taxation current year		7,86,19,606
Add/Less : Income Tax of previous year		2,70,00,000
Less : Provision for Fringe Benefit Tax		3,94,703
Less : Provision for Deferred Tax Liability		0
		<u>11,76,850</u>
IV. PROFIT AFTER TAX :		
Add : Balance brought forward from Previous year		5,00,48,053
		<u>3,01,597</u>
V. PROFIT AVAILABLE FOR APPROPRIATION :		
Less : Transferred to General Reserve		5,03,49,650
Less : Proposed Dividend		4,25,00,000
Less : Provision for Dividend Distribution Tax		32,03,200
		5,32,011
VI. PROFIT CARRIED TO BALANCE SHEET :		
Notes on accounts and contingent liabilities	17	<u>41,14,439</u>

As per our report of even date annexed

The Schedules referred to herein form an integral part of the Profit & Loss account

For Mahaveer M.Jain & Co.
Chartered Accountants

Rajendra Singh Jain
Managing Director

Mahendra Singh Jain
Whole Time Director

(Mahaveer K.Jain)
Proprietor
M.No. 070966

DATED : 25-08-2010
PLACE : INDORE

ITL INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st March, 2010

PARTICULARS	Sch.No.	Amount As At 31.03.2010 (Rs.)
SCHEDULE-1		
Share holder's Fund :		
Share Capital (Authorised)		
40,00,000 Equity Shares of Rs.10/- each		4,00,00,000
Issued, Subscribed & Paid-up		
3297300 Equity Shares of Rs.10/- each		3,29,73,000
Less : Amount due on a/c.of Allotment money		4,29,007
	TOTAL :	<u>3,25,43,993</u>
SCHEDULE-2		
Reserves & Surplus		
1. Profit & Loss Account		41,14,439
2. General Reserve :		
- Balance as per Last Balance Sheet		6,75,00,000
- Add: Transfer from P & L A/c.		4,25,00,000
	TOTAL :	<u>11,41,14,439</u>
SCHEDULE-3		
Minority Interest		
Share Capital		<u>1,42,000</u>
	TOTAL :	<u>1,42,000</u>
SCHEDULE-4		
Secured Loans		
A. Term Loan:		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage of Company's fixed assets both present and future and personal guarantee of some of the Directors)		1,90,89,563
B. Working Capital Loan :		
1. State Bank of Indore		3,85,31,147
2. State Bank of India (Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivable both present and future, second charge on fixed assets of the Company & personal guarantee of some of the Directors and mortgage of immovable properties.		6,04,68,430
C. From Others :		
(Against hypothecation of Vehicles of the Company and Suppliers Bill discounting)		2,33,189
		<u>11,83,22,329</u>
SCHEDULE-5		
Unsecured Loan		
From Directors		13,21,399
	TOTAL :	<u>13,21,399</u>



ITL INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st March, 2010

SCHEDULE - 6

FIXED ASSETS :

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Balance as at 01.04.2009	Additions during the year	Deduction during the year	TOTAL	Up to 31.03.2009	Provided for the year	Written back during the year	TOTAL	As at 31.03.2010
Land	1236765	21963500	0	23200265	0	0	0	0	23200265
Site Development	150004	0	0	150004	73010	5010	0	78020	71984
Factory Building	30914476	0	0	30914476	8124984	1032544	0	9157528	21756948
Plant & Machinery	39640741	10146361	0	49787102	8874478	2034917	0	10909395	38877707
Electrical Equipment	467194	0	0	467194	222513	33031	0	255544	211650
Office Equipment	4322983	593229	0	4916212	1524880	265967	0	1790847	3125365
Furniture & Fixture	5944987	252415	0	6197402	2504678	391958	0	2896636	3300766
Computer & Software	19229356	804363	0	20033719	6373330	2668799	0	9042129	10991590
Motor Car	4659471	888998	0	5548469	1626402	457010	0	2083412	3465057
Cycle & Handcart	25400	19214	0	44614	18200	1839	0	20039	24575
Technical Know-How	3141619	0	0	3141619	1135379	149227	0	1284606	1857013
TOTAL -	109732996	34668080	0	144401076	30477854	7040302	0	37518156	106882920

PARTICULARS

**Amount As At
31.03.2010
(Rs.)**

SCHEDULE-7

Investments :

a. Unquoted, Non-Trade-Long Term (At cost) :-	
- Investment in subsidiary company ITL International LLC., USA	12,53,066
(Not consolidated as the accounts were not prepared)	
- Investment in other Company (Unquoted)	40,34,655
b. Quoted but not listed-Current Investments :-	
- Investment in Mutual Funds	1,05,66,820
c. Quoted and listed :	
- Investment in Equity Shares	18,86,260
- Aggregate market value of quoted but not listed investments in Mutual Fund	99,88,957
- Aggregate market value of quoted and listed investments in Equity Shares	19,70,081
TOTAL :	<u>1,77,40,800</u>
	<u>99,88,957</u>

SCHEDULE-8

Inventories :

1. Raw Materials & Finished Goods (at cost)	4,28,52,186
2. Work in process & Semifinished Goods (at estimated manufacturing cost)	1,10,49,410
4. Stores, Spares parts & Standard item (at cost)	5,26,066
TOTAL :	<u>5,44,27,662</u>



ITL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS A/C. AS AT 31st March, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)
SCHEDULE-13	
Sales & Other Income :	
A. Sales (Net of Sales Tax)	66,76,53,991
B. Job Work	67,97,917
C. Misc. Income	19,17,885
TOTAL :	<u><u>67,63,69,793</u></u>
SCHEDULE-14	
Cost of Raw Material Consumed / Sold :	
Opening Stock	5,84,92,414
Add : Purchases	<u>37,63,08,701</u>
	43,61,40,689
Less: Closing Stock	<u>4,28,51,408</u>
TOTAL :	<u><u>39,19,49,707</u></u>
SCHEDULE-15	
Manufacturing, Administration and Selling Expenses :	
A. Manufacturing Overheads :	
Stores, Spares parts & Standard item consumed :	
Opening Stock	4,17,725
Add: Purchases	<u>22,66,546</u>
	26,84,271
Less : Closing Stock	<u>5,26,066</u>
Consumed during the year	21,58,205
Packing Materials expenses	8,82,376
Component Processing Charges	144,94,309
Power & Fuel	15,97,823
Repair & Maintenance to :	
1. Plant & Machinery	2,64,030
2. Building	1,40,168
Entry Tax	20,32,846
Excise Duty	4,62,50,518
Freight & Cartage inward	48,07,966
Misc. Expenses	1,09,33,637
Security Transaction Tax	17,233
TOTAL (A) :	<u><u>8,35,79,112</u></u>

ITL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS A/C. AS AT 31st March, 2010

PARTICULARS	Amount As At 31.03.2010 (Rs.)
B. Employees Remuneration & Benefits:	
Salary, Wages & Allowances : (Including Bonus & Ex-gratia)	2,49,76,160
Contribution to E.S.I.C.	3,42,793
Contribution to Porvident Fund	6,80,585
Contribution to Public Provident Fund	2,16,000
Welfare Expenses	9,66,872
Director's Remuneration	29,61,192
TOTAL (B) :	<u>3,01,43,602</u>
C. General & Administrative Overheads :	
Rent, Rates & Taxes	17,15,754
Electricity Charges	2,30,763
Stationery & Printing	7,38,316
Postage & Courier	2,45,298
Telephones & Internet	12,17,592
Travelling & Conveyance	74,15,230
Legal & Professional	66,70,214
Auditor's Remuneration	50,000
Insurance	6,18,964
Loss on Sale of Fixed Assets	0
Loss on Sale of Investment	4,99,198
Misc. Expenses	23,31,602
TOTAL (C) :	<u>2,17,32,928</u>
D. Selling & Distribution Expenses :	
Sales Promotion Expenses	5,73,615
Freight & Cartage outward	32,89,660
Freight & Cartage For Export	3,58,741
Sales Commission & Discount	37,05,106
Advertisement & Exhibition expenses	36,47,077
Bad Debts	1,70,34,533
Misc. Expenses	1,99,28,114
After Sales & Service Exps.	10,90,689
EMO Hannover Exhibition Expenses	0
GTA on Freight Inward	43,896
TOTAL (D) :	<u>4,96,71,432</u>
GRAND TOTAL (A+B+C+D) :	<u>18,51,27,074</u>

SCHEDULE-16

Interest & Finance charges

Interest on Fixed Period Loans	40,78,483
Interest on Other Loans (Net)	58,47,640
Other Financial charges	22,01,290
TOTAL :	<u>1,21,27,413</u>



ITL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2010

Schedule No. 17

Accounting Policies and Notes to accounts:

A. Accounting policies:

Significant accounting policies are summarized below:

1. Accounting Convention:

The accounts have been prepared in accordance with the historical convention under accrual basis of accounting as per Indian GAAP. Accounts and disclosures thereon comply with the Accounting Standards specified in Companies(Accounting Standard) Rules, Other pronouncements of ICAI, Provisions of Companies Act,1956 and Guidelines issued by SEBI as applicable.

2. Principles of Consolidation:

The consolidated financial Statement relates to ITL Industries Ltd (the Parent Company), Luhadia Sons Shahpura Pvt. Ltd. (58% stake wherein is held by ITL Industries Ltd.) and Dimart Engineering Pvt. Ltd.(80% stake wherein is held by ITL Industries Ltd.). Pending receipt of Statements from ITL International LLC USA (a wholly owned subsidiary Co.), the results thereof have not been merged in these statements.

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

- The financial Statements of the parent Company and its subsidiary companies have been combined on a line-by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.
- Investments of parent Company in subsidiaries are eliminated against respective proportionate stake of parent company therein on 31.03.2010
- The Consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible , in the same manner as parent company's separate financial statements unless stated otherwise.
- Minority interest ,consisting equity attributable to them on 31.03.2010 has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of parent Company.
- The Subsidiaries incorporated in the financial statements have not commenced activities,hence all other accounting policies adopted by the parent company have been followed .

3. Notes on accounts:

- Contingent Liabilities/Capital Contract;
 - Commitment on Capital Account by M/s Luhadia Sons Shahpura Pvt. Ltd. in connection with purchase of Land Amounting to Rs. 33.19 Lacs.
 - The other contingent Liabilities pertains to the parent company and are enumerated alongwith the accounts of the parent company .
- As the Subsidiary Companies incorporated have not commenced activities there are no related parties transactions (As-18) , information for segment wise details (AS- 17) and all other notes on accounts mentioned on the parent company's accounts have been followed in entirety.
- Earning Per share:

Net Profit After tax	Rs.	50048053
Less: Miscellaneous Expenditure	Rs.	139334
Net Profit	Rs.	49908719
No. of Shares	Rs.	3297300
Earning Per Share	Rs.	15.14
- This is the first year of Consolidation , hence there are no figures of the corresponding previous year. Consequently consolidated cash flow statement has not been prepared.

ITL INDUSTRIES LIMITED

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE: CONSOLIDATED

1. Registration Details :

Registration No. 5 0 3 7 State Code 1 0
Balance Sheet Date 3 1 · 0 3 · 2 0 1 0

2. Capital Raised during the Year (Amount in Rs.Thousand) :

Public Issue N I L Right Issue N I L
Bonus Issue N I L Private Placement N I L

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand) :

Total Liabilities 2 8 0 1 1 6 Total Assets 2 8 0 1 1 6

Sources of Funds:-

Paid-up Capital 3 2 6 8 6
Reserves & Surplus 1 1 4 1 1 5
Secured Loans 1 1 8 3 2 2
Unsecured Loans 1 3 2 1
Deferred Tax Liabilities (Net) 1 3 6 7 2

Application of Funds :-

Net Fixed Assets 1 1 3 3 7 0
Investments 1 7 7 4 1
Net Current Assets 1 4 8 8 6 6
Misc. Expenditure 1 3 9
Accumulated Losses N I L

4. Performance of Company (Amount in Rs.Thousand):

Turnover (Including- 6 7 6 3 7 0 Total Expenditures 5 9 7 7 5 0
other Income)
Profit / (Loss) before 7 8 6 2 0 Profit / (Loss) 5 0 0 4 8
Tax after tax
Earning Per Share Rs. 1 5 . 3 8 Dividend Rate % 1 0

5. Generic Names of three Principal Products/Service of the Company (As per monetary Terms):

Item Code No. (ITC Code)

Product Description

8 4 6 1 5 0 · 0 1

H O R I Z O N T A L B A N D S A W M / C

8 4 6 1 5 0 · 0 2

V E R T I C A L B A N D S A W M / C

8 4 6 1 5 0 · 0 5

P O W E R H A C K S A W M / C

As per our report of even date annexed

For MAHAVEER M.JAIN & CO.
Chartered Accountant

(MAHAVEER K.JAIN)
Proprietor

Place : Indore
Date : 25.08.2010



ITL INDUSTRIES LIMITED
111, Sector-B, Sanwer Road, Indore (M.P.)-4520015

PROXY FORM

I/We.....
 being a Member / Members of ITL INDUSTRIES LIMITED hereby appoint.....
of.....
 (or failing him / her)
 of as my/our Proxy in my/our absence to attend and vote for me / us, and on my / our
 behalf at the 22nd Annual General Meeting of the Company to be held on 29th September, 2010 at 11.30 a.m. at the Registered
 Office of the Company, 111, Sector-B, Sanwer Road, Indore(M.P.)-452015.

AS WITNESS my / our hands this day
 2010 Signed by said
 in the presence of

For OFFICE USE ONLY

Proxy No.
 Folio No.
 No.of Shares

 (Signature)

Rs.1/- Revenue Stamp

- Notes :** (a) The form should be signed across the stamp as per specimen signature
- (b) The Proxy form duly completed must be deposited at the Registered Office of the Company in not less than 48 Hours before the time fixed for holding the aforesaid meeting.

ITL INDUSTRIES LIMITED
111, Sector-B, Sanwer Road, Indore (M.P.)-4520015

(ATTENDANCE SLIP to be filled in and handed over at the entrance of the meeting hall)

Full Name of the attending member.....

Regd. Folio No./Client ID No.

No. of Shares held

Full name of Proxy (in BLOCK LETTERS)

SIGNATURE OF THE MEMBER(S) OR PROXY/PROXIES PRESENT

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING held on 29th September, 2010 at 11.30 a.m. at 111, Sector-B, Sanwer Road, Indore (M.P.) - 452015.

RANGE OF PRODUCTS

- * ALUMINIUM SLAB AND TRIM CUTTING STATION
- * HIGH SPEED ALLUMINIUM BILLET CUTTING MACHINE
- * HIGH SPEED METAL CUTTING BANDSAW MACHINES
- * DOUBLE COLUMN TYPE CNC BANDSAW MACHINES
- * VERTICAL TYPE BANDSAW MACHINES
- * HYDRAULIC KEYWAY SLOTTING MACHINE
- * HYDRAULIC POWER PACKS
- * HYDRAULIC STATOR BAR PRESS
- * HYDRAULIC POWER HACKSAW MACHINES
- * HYDRAULIC SPECIAL PURPOSE PRESS
- * HYDRO TESTER FOR TUBE / PIPES
- * PIPE AND FACING & CHAMFERING MACHINE
- * SPECIAL PURPOSE MACHINES (TAILOR MADE)
- * TUBE MILL FOR TUBE AND PIPE MANUFACTURING
- * TUBE & PIPE STRAITING MACHINES
- * TUBE POINTING MACHINES
- * CIRCULAR SAWING MACHINES
- * DRAW BENCHES
- * SWAGING MACHINES

DIVISION'S ACTIVITY

- * **INDTOOLS SALES & SERVICES** AUTHORISED DISTRIBUTORS FOR HYDRAULIC PRODUCTS OF -
M/S. EATON HYDRAULICS
M/S. VICKERS SYSTEM INTERNATIONAL LTD
M/S. FERROCARE MACHINEES (P) LIMITED

- * **INDORE SAWS & TOOLS** DISTRIBUTOR FOR INDIA FOR BIMETAL BANDSAW BLADES, HACKSAW BLADES & OTHER TOOLS