



Dear Shareholders,

The Indian economy was quick enough off the mark in recovering after the 2008 shocks. But the growth momentum has slowed considerably over the past year. GDP growth in the third quarter of FY 2011-12 was 6.1%, down from 8.3% in the corresponding quarter of FY 2010-11. Some of the key indicators are bearish. Gross fixed capital formation has contracted in recent months. Growth in industrial production in the April 2011-February 2012 period slid to 3.5%, compared to 8.1% during the same period last year. Inflation, particularly in food items and crude oil, remains high. There have been major slippages on the fiscal side. The current account deficit, in the April-December 2011 period widened to 4.0% of GDP, a clear warning sign. On a trade weighted basis the Rupee depreciated around 8% in the past year. Given the slippage in growth, RBI's decision to ease monetary policy was timely. Even so monetary policy will not be effective unless it is supported by fiscal restraint. India's economy is poised delicately. Recent policies have not taken the economy forward. This testing macro-economic environment had a bearing on businesses of your Company too.

The company recorded a turnover Rs 49.83 crores in 2011-12 as against Rs 53.56 crores in 2010-11. The slowdown in capital goods demand is likely to affect the turnover of your company in the current year. Apart from Designing and manufacturing activities, company's trading divisions are expected to perform well

New developments as well as modifications in existing models are necessary to offer value for money to our esteemed customers. Development of new CNC Pipe cutting-Facing - Chamfering Machine as well as Double Shuttle Fly Cut Off Machine have been further developed during the year. As mentioned last year the work on Industrial Supply Division wherein about 120,000 products required by the Engineering Industries will be traded online through a Dynamic Web Portal is going on and commercial activities are likely to start in the next financial year

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 up the company to the present level.

Thanking you,

Rajendra Singh Jain
Chairman

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DIRECTORS

Manohar Singh Jain
Rajendra Singh Jain - Managing Director
Mahendra Singh Jain - Joint Managing Director
Vishwanathan Iyer - Executive 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 India
Industrial Finance Branch,
Khel Prashal,
Race Course Road,
INDORE (M.P.)

Bank of Baroda

Siyaganj Branch,
INDORE (M.P.)

ADVISORS/CONSULTANTS

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

DIVISIONS

Indtools Sales & Services
Indore Saws & Tools
ITL- e Supply

REGISTRAR & SHARE TRANSFER AGENT

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

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

BSE Scrip Code :522183
NSIC – Crisil Rating :- **SE2A**

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of ITL INDUSTRIES LIMITED will be held on Friday the 28th September, 2012 at 11.30 A.M. at the Registered Office of the Company, 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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, 2012.
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**(I) ORDINARY RESOLUTION****6. TO APPOINT SHRI MAHENDRA SINGH JAIN AS JOINT MANAGING DIRECTOR OF THE COMPANY:**

"Resolved that pursuant to the provisions of Section 198,269,309,314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the approval of the Company be and is hereby accorded for the modification in the terms of appointment of Mr. Mahendra Singh Jain, who was appointed for a period of 5 years w.e.f. 01/02/2008, as a whole time director of the Company on certain terms and conditions as to remuneration, etc and who is stepped up as Joint Managing Director of the Company with effect from 12/11/2011 for the remaining tenure of his office on the same terms and conditions."

RESOLVED FURTHER THAT the Board of Directors of the company be and is here by authorized to do all such acts deeds and things as may deemed expedient to give effect to the above resolution.

(II) SPECIAL RESOLUTION**7. TO APPOINT SHRI VISHWANATHAN IYER AS EXECUTIVE DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT 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 appointment of Mr. Vishwanathan Iyer as Executive Director w.e.f. 01/07/2012 for a period of three years, on the terms and conditions and remuneration as provided here under :-

- (1) Salary of Rs.90000/- (Rs. Ninety Thousand only) per month.
- (2) Remuneration is payable w.e.f 01/07/2012.
- (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

- a) Housing
The said Director shall be entitled to house rent allowance not exceeding Rs.21000/- per month.
- b) Electricity charges of residence
Reimbursement of expenses incurred on actual basis subject to a ceiling of Rs.2000/- per month.
- c) Medical Reimbursement:
Reimbursement of expenses incurred for self and for family on actual basis subject to a ceiling of Rs.3000/- per month.
- d) Books and Periodicals
Reimbursement of expenses on Book and Periodicals (News paper, Technical Journal etc.), incurred on actual basis subject to a ceiling of Rs.1000/- per month,

Category - B

Company's contribution towards Provident Fund / Public Provident Fund :
Company's contribution towards Provident Fund / Public Provident Fund @ Rs.5000/- per month.

Category – C

- a) Company Car and Mobile :
Car for use on company's business and mobile will not be considered as perquisites.
- b) Car Fuel and Maintenance
Reimbursement of expenses incurred on actual basis subject to a ceiling of Rs.8000/- per month.

Minimum Remuneration

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Vishwanathan Iyer 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 term of this 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".

Regd Office
111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 25/08/2012

For and On behalf of the Board

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 THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
02. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 24th September, 2012 to Friday, the 28th September, 2012 (Both days inclusive).
03. (a) Members are requested to send their queries, if any, at least 7 days in advance of the meeting, so that the information can be made available at the meeting.
(b) Further, they are requested to bring at the meeting with them the printed Annual Report & Accounts being sent to them along with 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.
04. The Shareholders are hereby informed that all the correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s. Ankit Consultancy Pvt. Ltd., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.).
05. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Share Transfer Agent enclosing their Share Certificates to enable the Company to consolidate their holding in one folio.
06. The Dividend, as recommended by the Board, if declared at the meeting will be paid, subject to the provisions of Section 206A of the Act, on or after 5th Oct., 2012 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 22nd September, 2012 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 24th September, 2012. 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 Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.) well before the Book Closure Date as stated above.
07. 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 the 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.
08. (a) Members are requested to notify the change in address if any, the name of Bank(s) with account number(s) for inscribing it on the face of dividend warrant(s) to avoid the fraudulent encashment of the same. Members holding Shares in Electronic Form should send the above information to the respective Depository Participants.
(b) In case mailing address mentioned on the Annual Report is either without Pin Code or with incorrect Pin Code, members are requested to kindly inform Registrar & Share Transfer Agent of the Company or the respective Depository Participant (s), as the case may be, their Pin Code immediately for speedy and proper delivery.
09. **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.
10. **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 22nd September,2012 failing which they will not be entitled for dividend on the partly paid-up shares.

EXPLANATORY STATEMENT:

ITEM NO.6 :

Mr. Mahendra Singh Jain was appointed as a Whole time Director of the Company vide AGM Resolution Dated 27/09/2008 w.e.f 01/02/2008 for a period of 5 Years. Looking to his devotion to the company and his knowledge and experience, the Board of Directors of the company vide board meeting Resolution Dated 12/11/2011 stepped him up from the position of Whole time director to the Joint Managing Director of the company for the remaining term of his office as such on the same terms and conditions as applicable to him as to remuneration etc. None of the directors of the company except Shri Mahendra Singh Jain is in any way concerned or interested in the said resolution. You are requested to consider and approve the said resolution.

ITEM NO.7 :

The Board of Directors of the company, in their Board Meeting held on 11/08/2012 approved the resolution for appointment and remuneration with other terms and conditions of Mr. Vishwanathan Iyer as Executive Director of the company for a period of 3 years w.e.f 01/07/2012.

The terms of appointment of Mr. V. Iyer have been finalized by the Remuneration Committee at its meeting held on 11.8.2012. The terms finalized and recommended by the Remuneration Committee for approval by the Board of Directors are specified in the resolution. Hence the appointment of Mr. V. Iyer as Executive Director and the terms of appointment are proposed after considering the following :

In view of the highly competitive market which currently prevails, your directors felt desirable that there is need of the technically qualified senior level personnel who can look after the day-to-day affairs of the company, with special emphasis on production activity, quality standards of our product and marketing activities. Accordingly, recommendation was given by remuneration committee for approval of appointment of Mr. Vishwanathan Iyer on remuneration in line with the industry standards. In view of the same, the board of directors has in its meeting dated 11.08.2012 approved the appointment and the terms and conditions of appointment and remuneration payable to Mr. Vishwanathan Iyer, subject to the approval of members.

ITL INDUSTRIES LIMITED

Mr. Iyer is a Bachelor of Engineering (Mech.) from Jabalpur University and MBA (in Production Management) from Bhopal University. He has rich and vast experience of about 38 years with BHEL and he retired from BHEL in May 2012 as General Manager (Loco Motive). His field of Specialization includes Gears, Tooling's, DC Motors, Generators, Traction alternatives.

Awards & Achievements : He was awarded for Heading Best Production Department in BHEL. Also awarded Patent for Crowned Gear Profile.

Your company introduced the first 100% indigenous Double Column Type Band Sawing Machine. The company also launched India's first High Speed Circular Sawing Machines. In last 24 years, the company has developed more than 50 models and has also given customized solutions for typical cutting applications, etc. to various companies including public sector companies, Government & Semi-Govt. Bodies. Your company today has a significant market share in the field of Metal cutting solutions.

In the event of loss or inadequacy of profits in any financial year, Mr. Vishwanathan Iyer shall be paid the above remuneration as minimum remuneration. The Board may, in its absolute discretion, pay to the above-mentioned director, lower the remuneration than the maximum remuneration hereinabove stipulated and revise the same from time to time within the maximum limit stipulated by the members. The proposed remuneration is within the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

Approval of the members is now being sought for the said appointment and the terms and conditions including remuneration of Mr. Vishwanathan Iyer w.e.f. 01/07/2012.

Mr. V. Iyer, Executive Director, will be in charge of the day-to-day management of the Company and perform his duties and exercise his powers subject to the superintendence, direction and control of the Board of Directors.

The above details may also be treated as an abstract of the terms of appointment of aforesaid executive director under Section 302 of the Companies Act, 1956.

None of the directors other than Mr. Vishwanathan Iyer to the extent of amount of remuneration are concerned or interested in the said resolution.

Your directors recommend the resolution as at Item No. 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.

Regd Office

111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 25/08/2012

For and On behalf of the Board

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	Shri Vishwanathan Iyer
Category	Non-Independent Director Non-Executive	Independent Director Non-Executive	Independent Director Executive
Inter relationship	Father of Shri Rajendra Sing Jain, Managing Director of the Company	Not related	Not related
Date of Birth	23 rd November, 1929	24 th October, 1943	17 th May, 1952
Date of Appointment	25 th January, 1989	1 st May, 1999	1 st July, 2012
Qualification	Visharad	B.Com, L.L.B.	B.E. (Mech.), MBA (Prod. Management)
Expertise in specific Functional areas	Wide experience in business and promoter Director	Long and rich experience in the field of marketing	Independent Director of Company, Rich technical experience in Engineering industry.
List of other Public Companies in which Directorships held	NIL	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 - Member	1. Audit Committee- Member 2. Shareholders'/ Investors' Grievance Committee - Member	NIL
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee)	NIL	NIL	NIL
Shareholdings in the Company	76100	NIL	NIL



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 24th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2012.

01. FINANCIAL RESULTS :

(Amount in Rs.)

		Financial year ended 31.03.2012	Financial year ended 31.03.2011
a)	Sales & Other Income	498383137	535572461
b)	Profit before interest, Depreciation & Tax	57570788	55501577
c)	Less : - Interest and Finance Charges - Depreciation	14785074 8574334	11172831 7686261
d)	Profit before Tax	34211380	36642485
e)	Less : Provision for Tax Current year	11500000	12000000
f)	Less : Deferred Tax Liabilities	1539534	500000
g)	Less : Income Tax earlier year	728145	2468360
h)	Profit after Tax	20443701	21674125
i)	Profit brought forward from previous year	2053353	4114439
j)	Profit available for appropriations	22497054	25788564
k)	Transferred to General Reserve	15000000	20000000
l)	Proposed Dividend	3203200	3203200
m)	Provision for Dividend Distribution Tax	519639	532011
n)	Balance carried to Balance Sheet	3774215	2053353

02. DIVIDEND :

Your Directors are pleased to recommend Dividend at the rate of Rs.1/- Per share(previously ear Rs. 1- per share) for the year ended 31st March, 2012 subject to approval of the members in the ensuing Annual General Meeting .

03. OPERATIONS :

During the year under review, the sales & other Income of Company decreased from Rs.5355.72 lacs to Rs. 4983.83 lacs slightly due to overall recession in the market & due to above, profit after Tax of the Company for the year under review has also decreased slightly from Rs. 216.74 lacs to 204.44 lacs.

04. FUTURE OUTLOOK :

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

05. DIRECTORS :

Shri Manohar Singh Jain and Shri N.Chakraborty, retire by rotation and being eligible, offers themselves for re-appointment. Mr. Vishwanathan Iyer has been appointed as Executive Director of the Company.

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 :

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

ITL INDUSTRIES LIMITED

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 has 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 receipt 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 whom the Company's shares are listed, are duly complied with. A Detailed report on Corporate Governance and a certificate from the Auditor 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 COMPANY :**

M/s. Dimart Engineering Pvt. Ltd. is subsidiary 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 Company, is separately annexed and forms part of the Annual Report.

14. **CONSOLIDATED FINANCIAL STATEMENTS :**

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, viz M/s. Dimart Engineering Pvt. Ltd. and as prepared in compliance with the accounting standards and listing agreement.

15. **ACKNOWLEDGEMENT :**

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

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

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

Regd Office

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2012

For and On behalf of the Board

**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, 2011.

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: | |

	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
a) Capital	Rs. 14.50	Rs. 3.63 Lacs	Rs. 06.99 Lacs
b) Recurring	<u>Rs. 92.73</u>	<u>Rs. 106.36 Lacs</u>	<u>Rs. 78.71 Lacs</u>
Total :	Rs. 107.23	Rs. 109.99 Lacs	Rs. 85.70 Lacs
Total R & D expenditures as a Percentage of total turnover	2.15%	2.05 %	1.27%

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
b. Year of Import
c. Has technology been fully absorbed
d. If no fully absorbed areas where this has not taken place reasons thereof and future plans of action. | NIL
Not Applicable
Not Applicable
Not Applicable |

C. CONSERVATION OF ENERGY :

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

D. FOREIGN EXCHANGE EARNING AND OUT GO :

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

Regd Office

111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 25/08/2012

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. The Company has started a new division in the name of ITL- e Supply for industrial supply purpose through website orders booking .

ii) OPPORTUNITIES AND THREATS :

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

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

iii) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :**a) MANUFACTURING DIVISION :-**

Manufacturing Division has achieved Sales / Income of Rs. 4057.67 lacs in the year 2011-12 as against Rs. 4486.30 lacs in the year 2010-11, showing decrease in turnover slightly due to overall slowdown in the market during the year 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. Some new models of metal cutting machines have been developed in-house and the Company is receiving good response from the customers.

b) TRADING DIVISION :-

Trading Division of Hydraulics has achieved Sales / Income of Rs. 926.16 lacs in the year 2011-12 as against Rs. 869.42 lacs in the year 2010-11. 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 of recovery.

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

v) RISKS AND CONCERNS:

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

An overall concern is pertaining to the pressure on the profitability. However, ITL has taken all measures to reduce the Direct and Indirect cost. During the current year, the Tube and Pipe Manufacturing Division is showing 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 & other Income of Company decreased slightly from Rs. 535572 lacs to Rs. 4983.83 lacs & corresponding profit after Tax of the Company for the year under review has also decreased from Rs. 216.74 lacs to 204.44 lacs. This is due to overall recession in the market .

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

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

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

ix) DISCLAIMER STATEMENT:

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

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

(Rajendra Singh Jain)
Managing Director

PLACE : INDORE
DATED : 25.08.2012



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

The present strength of the Board is Seven Directors. The Board Comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Three 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 Associations pertaining to appointment of Directors.

Physical attendance of each Director at the Board Meeting during the year 2011-2012 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	14	14	Yes
Shri Mahendra Singh Jain	Executive	14	14	Yes
Shri Manohar Singh Jain	Non-Executive /Non-Independent	14	14	Yes
Shri Dinesh Jain	Non-Executive /Independent	14	14	Yes
Shri N.Chakraborty	Non-Executive /Independent	14	00	No
Dr. S.K. Kapoor	Non-Executive /Independent	14	14	Yes
Shri Vishwanathan Iyer *	Executive / Independent	N.A.	N.A.	N.A.

* Appointed w.e.f. 01.07.2012

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

Name of the Director(s)	No. of other Companies In which Director	No.of Committees (other than ITL Industries Ltd. In which Member)
Shri Rajendra Singh Jain	4	No
Shri Mahendra Singh Jain	5	No
Shri Manohar Singh Jain	No	No
Shri Dinesh Jain	2	No
Shri N.Chakraborty	No	No
Dr. S. K. Kapoor	No	No
Shri Vishwanathan Iyer	No	No

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

Fourteen Board Meetings were held during the year 2011-12, on the following dates :

Date	Day	Time
14.05.2011	Saturday	4.00 P.M.
23.05.2011	Monday	4.00 P.M.
30.07.2011	Saturday	4.00 P.M.
11.08.2011	Thursday	11.00 A.M.
25.08.2011	Thursday	4.00 P.M.
19.09.2011	Monday	4.30 P.M.
07.10.2011	Friday	11.30 A.M.

Date	Day	Time
12.11.2011	Saturday	4.00 P.M.
10.12.2011	Saturday	3.30 P.M.
20.12.2011	Tuesday	3.00 P.M.
03.02.2012	Friday	3.00 P.M.
13.02.2012	Monday	4.00 P.M.
15.03.2012	Thursday	4.30 P.M.
31.03.2012	Saturday	3.30 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:

Five meetings of the Audit Committee were held during the year 2011-12. 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
Shri N. Chakraborty	5	Nil

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 Board 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 2011-2012 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)	2939668/-	NIL	NIL	NIL
Shri Mahendra Singh Jain (Joint Managing Director)	2610000/-	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 2011-12 are given below :

(Rs.)

Name of Director	Sitting Fees	Commission
Shri N.Chakraborty	NIL	925781/-

5. Investors / Shareholders Grievance Committee :

The Company has constituted an Investors / Shareholders Grievance Committee under the Chairmanship of Shri Manohar Singh Jain . The other three members of the Committee are Shri Dinesh Jain, Shri N.Chakraborty and Shri S.K.Kapoor. All the 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, 2012.



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.

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

Details of Annual General Meeting (AGMs):

AGMs	Date of AGMs	Location	Time
21 st	24.09.2009	Registered Office	11.30 A.M.
22 nd	29.09.2010	Registered Office	11.30 A.M.
23 rd	28.09.2011	Registered Office	11.30 A.M.

All the Resolutions setout 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 had been placed for Shareholders' approval at the Meeting.

7. **SUBSIDIARY COMPANY:**

M/s. Dimart Engineering Pvt. Ltd. (80% share's stake by the Company) is subsidiary Company. As per the provisions of Clause 49, it is non-listed subsidiary.

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.itl.co.in |
| - 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 | - | 28 th September, 2012 |
| - Time | - | 11.30 A.M. |
| - Venue | - | 111, Sector-B, Sanwer Road, Industrial Area
Indore-452015 (M.P.) |

ITL INDUSTRIES LIMITED

- 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 24.09.2012 to 28.09.2012
- Dividend payment dated During October, 2012
- Listing on Stock Exchanges The Stock Exchange, Mumbai
(Listing fee for the year 2011-12 has been paid)
- Stock Code-Physical 522183
on Stock Exchange, Mumbai
- ISIN Number for NSDL & CDSL INE478D01014
- Market Price Data: High & Low during each month in the last financial year: Annexure-I

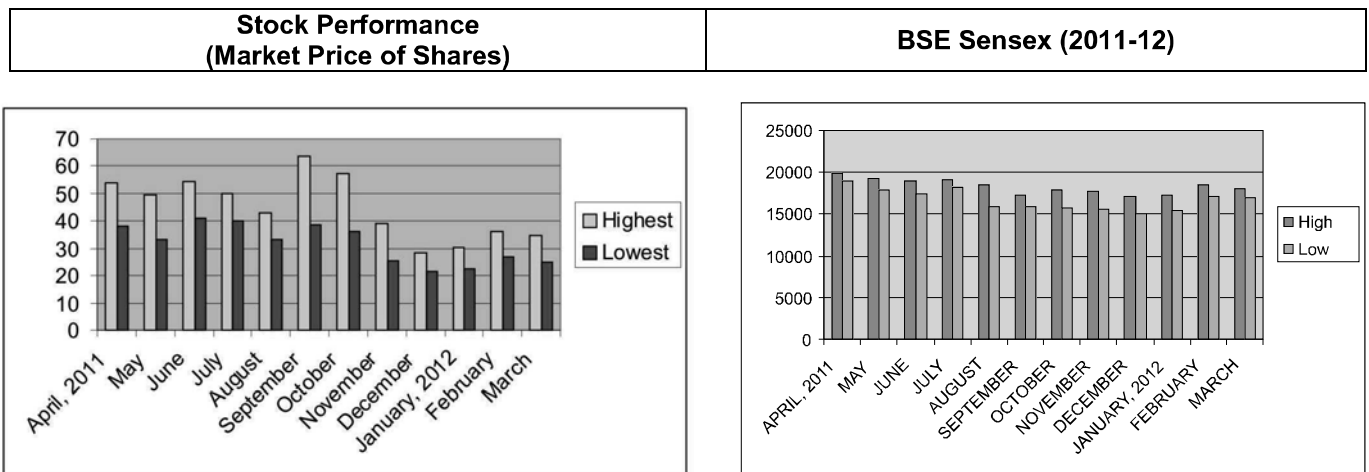
Annexure-I

High / Low of market price of the Company's shares traded on The Stock Exchange, Mumbai during the financial year 2011-12:
(Amount in Rs.)

Month	Highest	Lowest	Month	Highest	Lowest
April, 2011	54.00	38.00	October	57.40	36.10
May	49.60	33.50	November	39.00	25.35
June	54.45	40.90	December	28.45	21.50
July	49.80	40.05	January, 2012	30.50	22.65
August	43.00	33.05	February	36.20	26.75
September	63.70	38.50	March	34.90	25.20

- Stock Performance in comparison to broad-based indices such as BSE Sensex, BSE 200, Nifty As per Annexure-II

STOCK PERFORMANCE Vs BSE SENSEX



- Registrar and Share Transfer Agent

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

- Share Transfer System

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, 2012**

No. of Equity share held	No. of Folio	Percentage %	No. of Shares	Percentage %
Upto 500	4448	91.66	580588	17.61
501 to 1000	201	4.14	162548	4.93
1001 to 5000	150	3.09	315087	9.56
5001 to 10000	19	0.39	140548	4.26
10001 and above	35	0.72	2098529	63.64
Grand Total:	4853	100.00	3297300	100.00
No. of Shareholders In Physical mode	2559	52.73	452326	13.72
No. of Shareholder In Electronic Mode	2294	47.27	2844974	86.28

- **Shareholding Pattern as on 31st March, 2012**

Category	No. of Share Holders	No. of Shares	Percentage %
Promoters	19	1482953	44.98
Foreign Collaborators	NIL	NIL	NIL
Mutual Funds	NIL	NIL	NIL
FIs. / Banks	NIL	NIL	NIL
FII's / NRIs	26	75935	2.30
Domestic Companies	109	420827	12.76
Public	4699	1317585	39.96
Total :	4853	3297300	100.00

- Dematerialisation of Shares and liquidity

86.28% of paid-up Share capital has been dematerialized, 44.98% of paid up 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, Industrial Area
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.,
Plot No.60, Electronic Complex
Pardeshipura, INDORE (M.P.) - 452010
Phone No. : 0731-3198601, 3198602

OR

Registered office of the Company at :
111, Sector-B, Sanwer Road, Industrial Area
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) | <u>Chairman of the Board:</u>
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. | Yes |
| b) | Remuneration Committee | The Company has set a Remuneration Committee. |
| c) | <u>Shareholder Right :</u>
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.

There is no second half yearly results as the audited results are taken on record by the Board and then communicated to the shareholders 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 : 25.08.2012

(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, 2012, 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 : 25.08.2012
PLACE : INDORE

(MAHAVEER K. JAIN)
PROPRIETOR
Membership No.070966
FRN – 001749C



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, 2012 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 :-
- 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.
 - 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.
 - 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.
 - 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.
 - On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - 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 principles generally accepted in India :
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date, and;
 - 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

DATED : 25.08.2012
PLACE : INDORE

(MAHAVEER K. JAIN)
PROPRIETOR
Membership No.070966
FRN – 001749C

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, 2012
[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, 2012**.

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 :

- The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
 - 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.
- 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.
 - 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.
 - 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.
- 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 as on 31.3.2012 of Rs.45.14 lacs.
 - According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loans granted/ taken by the company are not prima facie, prejudicial to the interest of the company.

ITL INDUSTRIES LIMITED

- (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 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 2012 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	CST	17.49	2008-09	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.

Place : INDORE
Date : 25/08/2012

For **MAHAVEER M JAIN AND CO.**
(Chartered Accountants)
Reg No. :001749C

MAHAVEER KUMAR JAIN
(Proprietor)
Membership No : 70966

**BALANCE SHEET AS AT 31 MARCH, 2012**

	PARTICULARS	NOTE No.	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
A	EQUITY AND LIABILITIES			
	Share holder's Fund			
	(a) Share Capital	3	32543993	32543993
	(b) Reserve & Surplus	4	148774215	132053353
	Non current Liabilities			
	(a) Long-term borrowings	5	32657767	10285118
	(b) Deferred tax liabilities		15711578	14172044
	Current liabilities			
	(a) Short-term borrowings	6	92050841	75895799
	(b) Trade Payables	7	85356525	94366357
	(c) Other current liabilities	8	51429673	80185182
	TOTAL		458524592	439501846
B	ASSETS			
	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	110241863	80750784
	(ii) Intangible assets	9	6725429	7000720
	(iii) Capital work-in-progress		0	17188556
	(iv) Intangible assets under development		1601500	
	(b) Non current investment	10	16845003	12051107
	(c) Long-term loans and advances	11	1602871	1349201
	(d) Other non- current assets			
	Current assets			
	(a) Current investments	12	8620592	12010889
	(b) Inventories	13	103776958	77840268
	(c) Trade receivables	14	120619420	136261307
	(d) Cash and cash equivalents	15	20925790	20808282
	(e) Short-term loans and advances	16	67565166	74240731
	TOTAL		458524592	439501846
	Corporate Information & Significant accounting policies	1 to 2		
	Notes on financial statements	3 to 37		

In terms of our report attached

For and on behalf of the Board of Directors

**FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS****(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR****(MAHENDRA SINGH JAIN)
JT. MANAGING DIRECTOR****(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C**DATED : 25/08/2012
PLACE : INDORE

ITL INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	PARTICULARS	NOTE No.	For the year 2011-12 (in Rs.)	For the year 2010-11 (in Rs.)
	CONTINUING OPERATIONS			
	Revenue from Operations			
	Sales	17	496391650	534766599
	Other income	18	1991487	805862
	Total Revenue		498383137	535572461
	EXPENSES			
	(a) Cost of Material consumed	19	289854296	319817860
	(b) Changes in inventories of finished goods and work-in-progress	20	-17096237	-2862437
	(c) Employee benefits expenses	21	47156108	42930005
	(d) Other expenses	22	120898182	120185456
	(e) Interest and financial overheads	23	14785074	11172831
	(f) Depreciation and amortisation expenses		8574334	7686261
	Total Expenses		464171757	498929976
	Profit before tax		34211380	36642484
	Tax Expenses:			
	(a) Current tax expenses		11500000	12000000
	(b) Tax Expenses of Previous Years		728145	2468360
	(c) Deferred tax		1539534	500000
	Total Tax Expenses		13767679	14968360
	Profit for the year		20443701	21674124
	Corporate Information & Significant accounting policies	1 to 2		
	Notes on financial statements	3 to 37		

In terms of our report attached

For and on behalf of the Board of Directors

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

**(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR**

**(MAHENDRA SINGH JAIN)
JT. MANAGING DIRECTOR**

**(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C**

DATED : 25/08/2012
PLACE : INDORE



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2012**

PARTICULARS

1	CORPORATE INFORMATION
1.1	ITL Industries Limited is engaged in Manufacturing of Band Saw Machines, CNC Tube Mills, Machine tools & Sale/purchase of Hydraulic Items. etc.
1.2	Registered Office of the Company is situated at 111, Sector B, Industrial Area Sanwer Road, Indore 452015 (M.P.)
2	SIGNIFICATE ACCOUNTING POLICIES
2.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted.
2.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories Inventories are valued at cost. Cost includes all charges in bringing the goods to the point of sale.
2.4	Depreciation and amortisation Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 .
2.5	Revenue recognition Sale of goods/services: Sales comprise sale of goods net of trade discount and sales tax. Excise duty collected has been included in sales value.
2.6	Other income Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
2.7	Tangible fixed assets Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
2.8	Employee benefits Employee benefits include provident fund, superannuation fund, gratuity fund,. Liability of Gratuity has been provided as actually determined as at the year end and contribution is being made to LIC of India under group gratuity fund. However, leave encashment on separation has been accounted for on payment basis.
2.9	Earnings per share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.
2.10	Taxes on income Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
2.11	Treatment of Prior Period and Extra Ordinary Items Any material (other than those arising out of over/ under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
2.12	Provisions and Contingent liabilities A provision is made based on reliable estimate when it is probable that an outflow or resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts.
2.13	Excise Duty Excise duty payable on finished goods held in plant is neither included in expenditure nor valued in stocks, but it is accounted for on clearance of goods from plant. This accounting treatment has no impact on profits.
2.14	Research and Development Research and Development costs other than cost of fixed assets acquired/ developed, or charged as expenditure in the year in which they are incurred

ITL INDUSTRIES LIMITED

P A R T I C U L A R S	Amount As At 31.03.2012 (in Rs.)	Amount As At 31.03.2011 (in Rs.)
NOTE NO. 3		
Share Capital		
(a) Authorised 40,00,000 Equity Shares of Rs.10/- each	<u>40000000</u>	<u>40000000</u>
(b) Issued, Subscribed & Paid-up 32,97,300 Equity Shares of Rs.10/- each with voting rights	<u>32973000</u>	<u>32973000</u>
Less : Amount due on a/c.of Allotment money	<u>429007</u>	<u>429007</u>
TOTAL	<u>32543993</u>	<u>32543993</u>
List of share holders holding more than 5% of the share capital		
Shareholder's Name		
Shri Rajendra Singh Jain	373400 (11.32%)	363400 (11.02%)
Smt. Kanchanbai Jain	168800 (5.12%)	168800 (5.12%)
NOTE NO. 4		
Reserves & Surplus		
(a) Surplus/(Deficit) in Statement of Profit & Loss		
Opening Balance	2053353	4114440
Add: Profit/(Loss) for the year	<u>20443701</u>	<u>21674124</u>
TOTAL	<u>22497054</u>	<u>25788564</u>
Less: Transferred to General Reserve	15000000	20000000
Less: Proposed Dividend	3203200	3203200
Less: Dividend Distribution Tax	<u>519639</u>	<u>532011</u>
Closing Balance (a)	<u>3774215</u>	<u>2053353</u>
(b) General Reserve		
Balance as per last Balance Sheet	130000000	110000000
Add: Transfer from P & L A/c	<u>15000000</u>	<u>20000000</u>
Closing Balance (b)	<u>145000000</u>	<u>130000000</u>
TOTAL (a) + (b)	<u>148774215</u>	<u>132053353</u>
NOTE NO. 5		
Long-Term Borrowings		
Secured		
(a) Term Loan		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage in respect of Company's fixed assets both present and future and personal guarantee of Directors. Repayable in quarterly installments over specified period of loans, last installment due in Jan. 2019.)	30371562	7189773
(b) From Export Import Bank Of India (Secured by hypothecation of Company's fixed assets acquired out of the loan and personal guarantee of the Directors. Repayable in 12 equated quarterly installments. Last installment due in Dec. 2013)	948742	2848705
(c) From Others (Against hypothecation of Vehicles acquired out of the loan. Repayable in equated monthly installments over the period of loans)	1337463	246640
TOTAL	<u>32657767</u>	<u>10285118</u>
NOTE NO. 6		
Short -Term Borrowings		
Secured		
Loans repayable on demand		
From State Bank of India	57764321	73180992
From Bank Of Baroda (Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivables both present & future and personal guarantee of Directors and first pari passu charge on various plots of the company)	<u>29772056</u>	<u>0</u>
Unsecured		
Loans and advances from related parties		
From Directors	4514464	2714807
TOTAL	<u>92050841</u>	<u>75895799</u>



PARTICULARS

**Amount As At
31.03.2012
(in Rs.)**

**Amount As At
31.03.2011
(in Rs.)**

NOTE NO. 7

Trade Payables

Creditors for goods and services received

TOTAL	85356525	94366357
	85356525	94366357

NOTE NO. 8

Other Current Liabilities

(a) Current maturities of long-term debt

Term Loan

Madhya Pradesh Financial Corporation, Indore

S.B.of India

From Export Import Bank Of India

From Others

4318211	7399766
1495606	0
1899963	1900009
710210	96830

(b) Interest accrued but not due on borrowings

Interest payable to MPFC

Interest payable to Export Import Bank of India

78448	161395
6637	10864

(c) Other payables

(i) Statutory remittances

(ii) Payables on purchase of fixed assets

(iii) Contractually reimbursable expenses

(iv) Customers credit Balances

(v) Proposed dividend

(vi) Unclaimed dividend

3804808	5952125
458928	351793
9089849	10418300
25006185	49389691
3203200	3203200
1357628	1301209

TOTAL	51429673	80185182
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NOTE NO. 9

FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION & IMPAIRMENT				NET BLOCK	
	Balance as at 01.04.2011	Additions during the year	Disposals during the year	Balance as at 31.03.2012	Balance as at 01.04.2011	Depreciation/ Amortisation expenses for the year	Written back during the year	Balance as at 31.03.2012	Balance As at 31.03.2012	Balance As at 31.03.2011
(A) TANGIBLE ASSETS (FOR OWN USE)										
Land	1236765	2270862	0	3507627	0	0	0	0	3507627	1236765
Site Development	150004	0	0	150004	83030	5010	0	88040	61964	66974
Factory Building	30914476	19548933	0	50463409	10190071	1308362	0	11498433	38964976	20724405
Plant & Machinery	42355622	2570370	0	44925992	8282989	1609794	0	9892784	35033208	34072632
Other Equipments	14906504	195691	0	15102195	3919467	1013326	0	4932793	10169402	10987037
Electrical Equipment	467194	0	0	467194	288575	33031	0	321605	145589	178619
Office Equipment	5307825	2845990	457952	7695863	2109552	399637	200764	2308424	5387439	3198273
Furniture & Fixture	6294242	6964062	878431	12379873	3271079	575013	249990	3596101	8783772	3023163
Computer	9203183	421689	0	9624872	5687196	1749437	0	7436632	2188240	3515988
Motor Car	6295034	3049109	110978	9233165	2570059	738548	55739	3252868	5980297	3724975
Cycle & Handcart	44614	0	0	44614	22662	2602	0	25264	19350	21952
TOTAL	117175462	37866706	1447361	153594807	36424678	7434760	506494	43352944	110241863	80750784
(B) INTANGIBLE ASSETS (FOR OWN USE)										
Software & Licences	11352367	864283	0	12216650	6059433	990348	0	7049780	5166869	5292934
Technical Know-How	3141619	0	0	3141619	1433833	149227	0	1583060	1558559	1707786
TOTAL - (B)	14493986	864283	0	15358269	7493265	1139575	0	8632840	6725429	7000720
TOTAL - (A) + (B)	131669448	38730989	1447361	168953076	43917944	8574334	506494	51985784	116967292	87751504
Previous year	122437576	11010238	17738366	131669448	37518156	7686261	1286473	43917944	87751504	

ITL INDUSTRIES LIMITED

P A R T I C U L A R S	Amount As At 31.03.2012 (in Rs.)	Amount As At 31.03.2011 (in Rs.)
NOTE NO. 10		
Investments (At Cost)		
Trade Investments		
<u>Unquoted, Non-Trade-Long Term :-</u>		
- Investment in equity instruments of subsidiaries		
M/s.ITL International LLC., USA	0	1253066
M/s.Dimart Engineering P.Ltd.	400000	400000
40000 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 40000 shares)		
- Investment in equity instruments of associates		
M/s.Luhadia Sons P. Ltd.	7228000	1558000
470800 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 155800 Shares)		
M/s.Indore Tools Pvt. Ltd.	3999975	3999975
380225 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 380225 Shares)		
- Investment in other Company	5217028	4840066
TOTAL	<u>16845003</u>	<u>12051107</u>
NOTE NO. 11		
Long-term loans and advances		
Deposits (secured, considered good)	1602871	1349201
TOTAL	<u>1602871</u>	<u>1349201</u>
NOTE NO. 12		
Investments (At Cost)		
Trade Investments		
(a) Quoted but not listed-current Investments	2300000	5500000
(b) Quoted and Listed (Equity shares)	6320592	6510889
TOTAL	<u>8620592</u>	<u>12010889</u>
Aggregate market value of quoted but not listed investments in Mutual Fund	2472242	5703949
Aggregate market value of quoted and listed investments in Equity Shares	4974331	5863203
NOTE NO. 13		
Inventories		
(Valued at Cost)		
(a) Raw Materials & Bought Out Components	48593310	43226789
(b) Work in Process & Semi finished Goods	31004009	13807685
(c) Finished Products	4075	104162
(d) Stock of Trading Goods	22696927	20419289
(e) Stores, Spare Parts & Standard Items	1478638	282343
TOTAL	<u>103776958</u>	<u>77840268</u>
NOTE NO. 14		
Trade Receivables		
(Unsecured, considered goods)		
(a) Outstanding for a period exceeding six months	40119349	69822486
(b) Others	80500071	66438821
TOTAL	<u>120619420</u>	<u>136261307</u>
NOTE NO. 15		
Cash & Cash Equivalents		
(a) Cash in hand	162741	985633
(b) Balances with banks		
(i) In current accounts	1528953	1405839
(ii) Unclaimed dividend	1357628	1301209
I Others		
Fixed Deposit Account	19772883	18671403
Accured interest on fixed deposits	646673	585853
Less: OD Limit from IDBI Bank Ltd.(against pledge of FDR)	-2543088	-2141655
TOTAL	<u>20925790</u>	<u>20808282</u>



PARTICULARS	Amount As At 31.03.2012 (in Rs.)	Amount As At 31.03.2011 (in Rs.)
NOTE NO. 16		
Short Term Loans & Advances :		
Unsecured, considered good		
(a) Loans and advances to related parties	23826277	34152029
(b) Deposits	1003104	1046915
(c) Loans and advances to employees	2961559	2779559
(d) Prepaid expenses	290070	269631
(e) Advance payment of Income Tax	8809843	11045243
Less: Provision for Income Tax	-11500000	-12000000
(f) Balance with government authorities		
(i) Cenvat credit receivable	2078149	1742084
(ii) VAT credit receivable	1570102	0
(iii) Service Tax credit receivable	665370	922643
(g) Inter-corporate deposits	3600000	1499998
(h) Others		
(i) Unsecured considered good	34260692	32782625
TOTAL	<u>67565166</u>	<u>74240731</u>
NOTE NO. 17		
Revenue from Operations		
(a) Sales (Net of Sales Tax)	477131662	530685761
(b) Job Work & Commissioning Charges	19259988	4080838
TOTAL	<u>496391650</u>	<u>534766599</u>
NOTE NO. 18		
Other Income		
Discount Received	1099885	0
Miscellaneous Income	891602	805862
TOTAL	<u>1991487</u>	<u>805862</u>
NOTE NO. 19		
Cost of Material Consumed/Sold		
Opening Stock	63646079	42852186
Add : Purchases	297498454	340611752
	361144533	383463938
Less: Closing Stock	71290237	63646078
TOTAL	<u>289854296</u>	<u>319817860</u>
NOTE NO. 20		
Change in Inventory of Finished Goods and Work In Process		
Opening Stock	13911847	11049410
Less- Closing Stock	31008084	13911847
TOTAL	<u>-17096237</u>	<u>-2862437</u>
NOTE NO. 21		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus)	38454049	34058463
Welfare Expenses	1232870	1438061
Security Expenses	557134	511832
Contribution to E.S.I.C.	584490	570886
Contribution to P.F.	777897	751908
Directors' Remuneration	4786468	4835655
Contribution to P.P.F	381600	381600
Bonus / Ex-gratia to Directors	381600	381600
TOTAL	<u>47156108</u>	<u>42930005</u>

ITL INDUSTRIES LIMITED

PARTICULARS	For the year 2011-12 (in Rs.)	For the year 2010-11 (in Rs.)
NOTE NO. 22		
Manufacturing, Administration and Selling Overheads		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	282343	526066
Add: Purchases	<u>1797550</u>	<u>1984556</u>
	2079893	2510622
Less : Closing Stock	<u>1478638</u>	<u>282343</u>
Consumed during the year	601255	2228279
Component Processing Charges	21987878	21603422
Power & Fuel	2084445	1772108
Repaid & Maintenance to : 1. Plant & Machinery	1455760	404766
2. Building	666447	227164
Entry Tax	953953	1306273
Excise Duty	35301255	42537868
Freight & Cartage inward	4012969	5298297
Material Shifting & Handling Charges	6718576	4005504
Manufacturing Expenses (Bettiaha Project)	1629999	1747604
Other Manufacturing Expenses	810747	648251
TOTAL (A)	<u>76223284</u>	<u>81779536</u>
B. General & Administrative Overheads :		
Rent, Rates & Taxes	1797589	1815166
Charity & Donation	279038	247351
Computer Charges	1260042	722307
Stationery & Printing	751444	814402
Telephones & Internet	1426252	1398598
Postage & Courier	253848	284290
Travelling & Conveyance	10173039	9460879
Legal & Professional Charges	9432994	7515712
Auditor's Remuneration	60000	60000
Insurance	322761	256911
Loss on Sale of Assets	867492	229394
Loss on Sale of Investment	0	886767
Other Expenses	3459584	2243284
TOTAL (B)	<u>30084082</u>	<u>25935061</u>
C. Selling & Distribution Expenses :		
Sales Promotion Expenses	856694	939609
Freight & Cartage outward	1989563	1771838
Sales Commission & Discount	2312547	3565509
Advertisement & Ehibition expenses	2837640	4233363
Bad Debts	4449642	731666
Late Delivery Charges	1114706	153599
After Sales & Service Exps.	800132	979443
Other Expenses	229892	95832
TOTAL (C)	<u>14590816</u>	<u>12470859</u>
GRAND TOTAL (A+B+C)	<u>120898182</u>	<u>120185456</u>
NOTE NO. 23		
Interest & Finance charges		
On Fixed Period Loans	1405874	2029536
Other Loans (Bank)	12918224	8741817
Interest to Others	1475	2
Other Financial charges	2420673	2430201
TOTAL (A)	<u>16746246</u>	<u>13201556</u>
Less : Interest Received		
(ii) Interest received	1961172	2028725
TOTAL (B)	<u>1961172</u>	<u>2028725</u>
GRAND TOTAL (A-B)	<u>14785074</u>	<u>11172831</u>



PARTICULARS	For the year 2011-12 (in Rs.)	For the year 2010-11 (in Rs.)
Note No. 24		
CONTINGENT LIABILITIES :		
(i) Guarantees issued by Banks	Rs. 36011139	
(ii) Tax demand for CST for the years 2008-09 appealed against but not provided for in accounts	Rs. 1749193	
Note No. 25		
Auditor's Remuneration includes the following		
a) For Statutory Audit	48000	48000
b) For Tax Audit	6000	6000
c) For reimbursement of expenses	6000	6000
TOTAL:	60000	60000
Note No. 26		
Managerial Remuneration :		
Particulars of remuneration to the Directors (Including remuneration & perquisites of Managing Director of Rs.29,39,668/-		
(a) Salary, Allowances & Bonus	5151600	5151600
(b) PPF Contribution	381600	381600
(c) Other Perquisites	16468	65655
(d) Sales Commission	925781	842522
TOTAL:	6475449	6441377
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.		
Note No. 27		
Expenditure / Remittances in Foreign Currency on Account of		
-- Raw Materials	20286091	24515121
-- Others	3670780	188425
TOTAL:	23956871	24703546
Note No. 28		
Earnings in Foreign Exchange :-		
-- Export of Goods on CIF / FOB Basis and Advance from customers	NIL	248471
TOTAL:	NIL	248471

Note No. 29**Particulars of consumption of Imported and Indigenous Raw Materials:**

	<u>2011-2012</u>		<u>2010-11</u>	
	<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>
Imported	20253920	6.99%	24515121	7.67%
Indigenous	269600376	93.01%	295302739	92.33%
Total :	289854296	100.00%	319817860	100.00%

ITL INDUSTRIES LIMITED

Note No. 30

Related party disclosures in terms of accounting standard 18:

(a)	Remswags Marketing Pvt.Ltd. & Steel Engg. Centre (A Company controlled by relatives of Directors)	:		
	Sales	:	Rs. 4,14,458/-	
	Purchases	:	Rs. 1,02,92,359/-	
	Outstanding Balance as on 31/03/2012	:	Rs. 28,37,533/-	Dr.
(b)	Indore Tools Pvt.Ltd. : (A Company controlled by relatives of Directors)	:		
	Investment in shares	:	Rs. 39,99,975/-	
	Sales	:	Rs. 2,62,564/-	
	Purchases	:	Rs. 2,84,49,417/-	
	Outstanding Balance as on 31/03/2012	:	Rs. 44,43,503/-	Dr.
(c)	Luhadia Sons Shahpura Pvt. Ltd. Extent of Holding 49.20%	:		
	Investment in Shares	:	Rs. 72,28,000/-	
	Outstanding Balance as on 31/03/2012	:	Rs. 3,83,003/-	Dr.
(d)	Dimart Engineering Pvt. Ltd. (Subsidiary Company) Extent of Holding 80%	:		
	Investment in Shares	:	Rs. 4,00,000/-	
	Outstanding Balance as on 31/03/2012	:	Rs. 2,38,26,277/-	Dr.
(e)	Remuneration paid to relatives of Key management personnel :	:		
	Shri Ravish Jain	:	Rs. 7,58,880/-	
	Shri Prakhar Jain	:	Rs. 7,58,880/-	
	Shri Manish Jain	:	Rs. 7,58,880/-	
	Smt. Bharti Chakraborty	:	Rs. 3,60,000/-	Dr.

Note No. 31

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

	2011-2012	2010-2011
A. Profit after tax	2,04,43,701/-	2,16,74,124/-
B. Weighted Average Number of shares (Paid-Up) outstanding during the year	32,54,399	32,54,399
C. Earning per share (A/B)	6.28	6.66
D. Face Value per share	10/-	10/-

Note No. 32

Disclosure as per Clause 32 of the Listing Agreement “

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

Name of the Company	Relationship	Amt.Outstanding as on 31.3.2012	Maximum balance outstanding during the year
Dimart Engineering Pvt. Ltd. (80% stake by ITL Industries Ltd.)	Subsidiary	2,38,26,277/-	2,38,26,277/-

Note No. 33

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

Note No. 34

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.

Note No. 35

Income Tax Assessments of the Company have been completed upto assessment Year 2009-10.

**Note No. 36**

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, 2012**- Primary Business Segment****I. Information about Business Segments :**

PARTICULARS	(Rs.in lacs)	
	Year ended 31/03/2012	Year ended 31/03/2011
1. <u>Segment Revenue :</u>		
Machine Manufacturing	3729.90	4129.88
Trading Activities	991.91	<u>960.74</u>
Total	4721.21	5090.62
Less : Inter Segment Revenue	110.30	<u>170.63</u>
Net Sales / Income from Operation	4610.91	<u>4919.99</u>
2. <u>Segment Profit / (Loss) before Tax and interest :</u>		
Machine Manufacturing	352.21	377.88
Trading Activities	137.75	<u>100.26</u>
Total	489.96	478.14
Less : Interest	147.85	<u>111.72</u>
Net Profit before Tax	342.11	<u>366.42</u>
3. <u>Capital Employed :</u> (Segment Assets – Segment Liabilities)		
Machine Manufacturing	1260.92	1186.24
Trading Activities	552.26	<u>461.38</u>
Total	1813.18	<u>1647.62</u>

Note No. 37

The financial statement for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statement for the year ended March 31, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to confirm to this year's classification. The adoption of the Revised Schedule VI for the previous year's figures have also been reclassified to confirm to this year's classification. The adoption of the Revised Schedule VI for the previous figures does not impact recognition and measurement principles followed for preparation of financial statement.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

P A R T I C U L A R S	NOTE No.	Amount As At 31.03.2012 (in Rs.)	Amount As At 31.03.2011 (in Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax and Extra Ordinary			
Adjustments:		34211380	36642485
Depreciation for the year		8574334	7686261
Interest Paid		14785074	11172831
Operating Profit before working capital changes		57570788	55501577
ADJUSTMENT :			
Trade and other receivables		15641887	25197876
Inventories		-25936690	-23412606
Current Liabilities & Provision		-37765341	9294971
Other Current Assets		6421896	8731211
Cash Generated from operation		15932540	75313029
Interest paid		(14785074)	(11172831)
Direct Tax paid (Net)		(12228145)	(14468360)
Cash Flow before extra ordinary adjustments		11080679	49671838
Extra Ordinary Items :			
Loss / Profit on Sale of Fixed Assets		867492	229394
NET CASH FLOW FROM OPERATING ACTIVITIES	Total (A) :	10213187	49901232
(B) CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets (Net)		(23070558)	(21449149)
Investment made during the year		(1403599)	(6363195)
NET CASH USED IN INVESTING ACTIVITIES	Total (B) :	(24474157)	(27812344)
(C) CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from long Term Borrowings (Net)		22372649	1814879
Proceeds from Short Term Borrowings		16155042	(25856705)
Dividend / Corporate Dividend Tax paid		(3722839)	(3735211)
NET CASH FLOW FROM FINANCING ACTIVITIES	Total (C) :	34804852	(27777037)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENT	Total (A+B+C)	117508	(5688149)
CASH AND CASH EQUIVALENT AS AT 01.04.2011 (Opening Balance)		20808282	26496431
CASH AND CASH EQUIVALENT AS AT 31.03.2012 (Closing Balance)		20925790	20808282



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, 2012 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 : 25.08.2012
PLACE : INDORE

(MAHAVEER K.JAIN)
PROPRIETOR
Membership No.070966
Regd. No. – 001749C

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

1	Name of the Subsidiary	Dimart Engineering Pvt. LTD.
2	Number of Shares in the Subsidiary Company held by ITL Industries Ltd. (a) Equity Shares (b) Equity Holding	40000 80%
3	The Net Aggregate of Profits / (Losses) of the Subsidiary Company for its Financial year so far as they concern Member of ITL Industries Ltd. :- (a) Dealt with in the Accounts of ITL Industries Ltd. for the year ended 31/03/2012 (b) Not Dealt with in the Accounts of ITL Industries Limited for the year ended 31/03/2012 (Net of Taxes)	The Company has not commenced business operations, however it has undertaken agricultural activities on the vacant land Rs.0.31 Lacs 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 31/03/2011 (b) Not Dealt with in the Accounts of ITL Industries Ltd. upto year ended 31/03/2011	Rs.0.61 Lacs NIL

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 3rd Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31 March, 2012.

FINANCIAL RESULTS

The Company has earned net profit of Rs. 0.31 lac out of agricultural activities undertaken by the Company.

GENERAL REVIEW

The Company has not commenced its business operations. However the Company has undertaken Agricultural activities on the land purchased. The planned project to establish an Industrial unit has been kept on hold.

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 have been followed along with proper explanation relating to material departures;
2. 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 your Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors have 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 have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Mahaveer M. Jain & Co., Chartered Accountants, retiring auditor 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 : 25.08. 2012
Place :Indore

(Mahendra Singh Jain)
Director



Auditor's Report

To
**The Members of
Dimart Engineering Private Limited**

- i. We have audited the annexed Balance Sheet of **DIMART ENGINEERING PRIVATE LIMITED**, as at **31/03/2012** and the Profit and Loss Account 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 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.
- 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 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 Profit and Loss Account , dealt with by this report, are in agreement with the said books of accounts;
 - (d) In Our opinion the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as on 31/03/2012 and taken on record by the board of directors, We report that none of the directors is disqualified as on 31/03/2012 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 principles generally accepted in India :-
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31/03/2012 and;
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For MAHAVEER M JAIN AND CO.
(Chartered Accountants)

MAHAVEER KUMAR JAIN
(Proprietor)
M.No. 70966
Reg No. :001749C

Place: INDORE
Dated: 25/08/2012

ANNEXURE

Statement referred to in paragraph (iii) of the Auditor's Report of even date to the members of **DIMART ENGINEERING PRIVATE LIMITED** on the accounts for the year ended on **31st March, 2012**.
[As required by the Companies (Auditor's Report) Order, 2003]

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 as per the information and explanations given to us during the course of the audit :

1. In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.

2. In respect of its inventories:

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

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (a)to(d) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clause (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the Current year.
- (e) The company has taken loan from 3 Parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.23856977.00 and the year end balance of loans taken from such parties was Rs.23856977.00
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (g) In respect of loans taken, repayment of principal interest have been regular.

4. In respect of internal control

In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956

- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 are made at price which are reasonable having regard to prevailing market prices at the relevant time.

6. In respect of deposits from public

No deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and rules framed there under have been accepted by the Company.

7. In respect of internal audit system

The provisions relating to internal audit are not applicable to the company.

8. In respect of maintenance of cost records

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Act.



9. In respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty, sales tax and cess that have been not been deposited on amount of any dispute.

10. In respect of accumulated losses and cash losses

The company has not commenced its operation and the Pre-operative & Preliminary expenses shall be written off in the year of operational profits.

11. In respect of dues to financial institution / banks / debentures

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

12. In respect of loans and advances granted on the basis of security

The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

In our opinion and according to information and explanations given to us, the company is not chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) (a) to (d) of the Order are not applicable to the company.

14. In respect of dealing or trading in shares, securities, debentures and other investment

According to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

15. In respect of guarantee given for loans taken by others

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

16. In respect of application of term loans

In our opinion, the term loans raised by the company during the year has been applied for the purpose for which it was raised.

17. In respect of fund used

Based on an overall examination of the Balance Sheet of the company and a review of the consolidated fund flow statement for the year, we report that no funds raised on short-term basis have been used for long-term investment.

18. In respect of preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

19. In respect of securities created for debentures

The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For MAHAVEER M JAIN AND CO.
(Chartered Accountants)

MAHAVEER KUMAR JAIN
(Proprietor)
M.No. 70966
Reg No. :001749C

Place: INDORE
Dated: 25/08/2012

DIMART ENGINEERING PVT. LTD.**BALANCE SHEET AS AT 31 MARCH, 2012**

P A R T I C U L A R S	NOTE No.	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
A EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	92,239	61,546
Non Current Liabilities			
(a) Long-term borrowings	5	4,104,239	-
Current Liabilities			
(a) Short-term borrowings	6	23,856,977	21,701,179
(b) Trade payables	7	330,960	
(c) Other current liabilities	8	1,279,435	12,103
TOTAL		<u>30,163,850</u>	<u>22,274,828</u>
B ASSETS			
Non-Current Assets			
(a) Fixed assets			
Tangible assets	9	28,399,061	21,963,500
(b) Long-term loans and advances	10	1,200	-
(c) Other Non- Current Assets	11	345,160	111,884
Current Assets			
(a) Inventory (WIP at Cost)		1,239,160	-
(b) Cash and cash equivalents	12	128,526	199,444
(c) Short-term loans and advances	13	50,743	-
TOTAL		<u>30,163,850</u>	<u>22,274,828</u>
Corporate Information & Significant accounting policies	1 to 2		
Notes on financial statements	3 to 22	-	-

The notes are an integral part of these financial statements.

In terms of our report attached

For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS

(RAJENDRA SINGH JAIN)
DIRECTOR

(MAHENDRA SINGH JAIN)
DIRECTOR

(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C

DATED : 25/08/2012
PLACE : INDORE

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012**

PARTICULARS	NOTE No.	For the year 2011-12 (in Rs.)	For the year 2010-11 (in Rs.)
INCOME			
Revenue from Operations (Gross)			
Sales of vegetables/Fruits		<u>58100</u>	<u>164046</u>
Total Revenue		<u>58100</u>	<u>164046</u>
EXPENSES			
(a) Agricultural Expenses	14	1239160	47220
(b) Employee benefits expense	15	9450	32680
(c) Depreciation and amortisation expense	9	0	0
(d) Other expenses	16	17957	22600
(e) Changes in inventories of finished goods, work-in-progress and stock-in-trade		<u>-1239160</u>	<u>0</u>
Total Expenses		<u>27407</u>	<u>102500</u>
Profit before Tax		30693	61546
Tax Expense			
(a) Tax expense for current year		0	0
Profit after tax		<u>30693</u>	<u>61546</u>
Earning Per Share	19	0.61	1.23
Corporate Information and Significant accounting policies	1 to 2		
Notes on financial statements	3 to 22		

In terms of our report attached

For and on behalf of the Board of Directors

**FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS****(RAJENDRA SINGH JAIN)
DIRECTOR****(MAHENDRA SINGH JAIN)
DIRECTOR****(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C**DATED : 25/08/2012
PLACE : INDORE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012

NOTE	PARTICULARS
1	Corporate Information Dimart Engineering Private Limited is engaged in agricultural activities . Growing Vegetables & other Crops under Poly house with the aid of new Techniques is the main activity undertaken by the Company. Registered office of the company is situated at 305, Samyak Tower, 16/3, Old Palasia, Indore 452 001 (M.P.)
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.
2.3	Inventories Inventories are valued at cost. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.
2.4	Depreciation and amortisation Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 . The Company has not commenced its business activities during the year, hence no provision for Depreciation has been made in accounts.
2.5	Revenue recognition <u>Sale of goods/services:</u> Sales of Goods is recognized on transfer of significant risks and rewards of ownership to the buyer.
2.6	Tangible fixed assets Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
2.7	Employee benefits Employee benefits include Salary and other Allowances to which the employee is entitled.
2.8	Segment reporting The company has no sales except sale of Agricultural produce in India and such there are no reportable geographical segments.
2.9	Earnings per share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.
2.10	Taxes on income Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the



accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

2.11 Treatment of Prior Period and Extra Ordinary Items

Any material (other than those arising out of over/ under estimation in earlier years) arising as a result of error or omission in preparation of earlier years' financial statements are separately disclosed.

2.12 Provisions, Contingent liabilities and Contingent Assets

A provision is made based on reliable estimate when it is probable that an outflow or resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

PARTICULARS	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
-------------	--------------------------------------	-----------------------------------

NOTE NO. 3

SHARE CAPITAL

(a) Authorised

50000 (Previous Year 50000) Equity shares of 10/- Rs.each with voting rights 500000 500000

(b) Issued, Subscribed and fully paid up

50000 (Previous Year 50000) Equity shares of 10/- Rs.each with voting rights 500000 500000

Total 500000 500000

Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the company

Name	Share	Percentage	Amount As At 31.03.2012	Amount As At 31.03.2011
1. ITL Industries Limited (Holding Company)	40000 Shares	80%	40,000	40,000
2. Shri Rajendra Singh Jain	5000 Shares	10%	5,000	5,000
3. Shri Mahendra Singh Jain	5000 Shares	10%	5,000	5,000

Note No. 4

Reserves and surplus

(a) Surplus in Statement of Profit and Loss

Opening balance 61546 0

Add: Profit / (Loss) for the year 30693 61546

TOTAL 92239 61546

Amounts transferred to general reserve - -

Closing balance 92239 61546

Note No. 5

Long-term borrowings

(a) Term loans (Secured)

From Bank of Baroda(Ag. Hypn. Of Crops, Plant & Machinery & 4687239 0
Mortgage of 2.218 Acres of Agri-Land) Repayable in 10 Half yearly

Instalments of Rs.5.83 Lacs each and last of Such Instalment of Rs.

5.85 Lacs, w.e.f. Jan 2013)

Less: Transferred to Current Maturities of Long Term Debts 583000 0

TOTAL 4104239 0

DIMART ENGINEERING PVT. LTD.

PARTICULARS	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
Note No. 6		
Short-term borrowings		
(a) Loans and advances from related parties		
Unsecured		
From Shri Mahendra Singh Jain	15350	15350
From Shri Rajendra Singh Jain	15350	15350
From ITL Industries Ltd.(Holding Company)	<u>23826277</u>	<u>21670479</u>
TOTAL	<u>23856977</u>	<u>21701179</u>
Note No. 7		
Trade Payable		
(a) Indore Tools Private Limited	330,960	-
TOTAL	<u>330,960</u>	<u>-</u>
Note No. 8		
Other current liabilities		
(a) Current maturities of long-term debt	583000	-
(b) Interest accrued but not due on borrowings	81703	-
I Other payables		
(i) Payables on purchase of fixed assets	601605	-
(ii) Contractually reimbursable expenses	13127	12,103
Outstanding Expenses		
TOTAL	<u>1279435</u>	<u>12,103</u>

Note No. 9
FIXED ASSETS

(A) Tangible Assets Owned by the Company	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 st April, 2011	Additions	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	Depreciation / mortization expense for the year	Balance as at 31 st March, 2012	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011
Buildings (Agri. Building & fencing)	0	433786	433786	0	0	0	433786	0
Land	21963500	0	21963500	0	0	0	21963500	21963500
Green House	0	4501443	4501443	0	0	0	4501443	0
Irrigation Source Development	0	115783	115783	0	0	0	115783	0
Irrigation System	0	630515	630515	0	0	0	630515	0
Land Development	0	498959	498959	0	0	0	498959	0
Machinery & Tools	0	151300	151300	0	0	0	151300	0
Miscellaneous Agricultural Equipments	0	103775	103775	0	0	0	103775	0
Total	21,963,500	6,435,561	28,399,061	-	-	-	28,399,061	21963500
Previous Year	21,963,500	-	21,963,500	-	-	-	21,963,500	-

Note No. 10
Long-term loans and advances

(a) Security deposits		
Unsecured, considered good		
Deposit With MPEB	1200	-
TOTAL	<u>1200</u>	<u>-</u>

Note 11
Other Non- Current Assets

(a) Unamortised Expenses		
(i) Preliminary Expenses	31350	31350
(ii) Preoperative Exp.	313810	80534
TOTAL	<u>345160</u>	<u>111884</u>

Note No. 12
Cash and cash equivalents

(a) Cash in hand	85631	192176
(b) Balances with banks		
In current accounts	42895	7268
TOTAL	<u>128526</u>	<u>199444</u>



PARTICULARS	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
Note No. 13		
Short-term loans and advances		
(a) Prepaid Expenses - Unsecured, considered good		
Prepaid Expenses	16672	0
(b) Unsecured, considered good		
Temporary Advance	34071	0
TOTAL	<u>50743</u>	<u>0</u>
Note No. 14		
Agricultural Expenses		
Agricultural Expenses	0	15450
Rent of Land (WIP)	5000	0
Administrative cost(WIP)		
Telephone Expenses (WIP)	6000	0
Cultivation Expenses(WIP)		
Capsicum/Seeds Purchased	291330	14050
Cocopeat	330960	0
Labour Pot Filling	111650	0
Plant Nutrition	320819	0
Plant Protection Expenses	24248	9690
Pots for Growing	23310	0
Rope and Plant Support material	23857	0
Man Power (WIP)		
Skilled/Unskilled labour	6300	0
Utility Bills(WIP)		
Electric Bill	6990	8030
Fuel	12990	0
Transportation (WIP)	14945	0
Miscellaneous Expenses(WIP)	60761	0
TOTAL	<u>1239160</u>	<u>47220</u>
Note No. 15		
Employee benefits expense		
Salaries and Wages	9450	32680
TOTAL	<u>9450</u>	<u>32680</u>
Note 16		
Other Expenses		
Filing fees to Registrar of Companies	3950	600
Payments to Auditors (Refer Note (i) below)	10000	5000
Bank Commission	0	0
Legal & Professional Charges	500	3500
Miscellaneous Exp.	3507	13500
TOTAL	<u>17957</u>	<u>22600</u>
Notes(i)		
(i) Payments to the Auditors comprises (net of service tax input credit, where applicable):		
As Auditors - Statutory Audit	7500	5000
For taxation matters	2500	0
TOTAL	<u>10000</u>	<u>5000</u>

DIMART ENGINEERING PVT. LTD.

PARTICULARS	2011-12	2010-11
Note 17:		
Related Party disclosures:		
1. M/s Indore Tools Private Limited:		
Purchase of Machinery	4110750	0
Purchase of Raw Material(Cocopeat)	330960	0
2. Mahaveer Krishi Kendra Pvt. Ltd.		
Purchase of Machinery	592485	0
Purchase of Agricultural Plants	291330	0
Rent of Land	5000	0
3.ITL Industries Ltd. (Holding Co. having 80% Stake)		
Loan Received	23826277	21670479
4.Shri Mahendra Singh Jain(Director)		
Loan Received	15350	15350
5. Shri Rajendra Singh Jain(Director)		
Loan Received	15350	15350
Note No. 18:		
Contingent Liabilities : --- NONE----		
NOTE No. 19:		
Earning Per Share(Basic/Diluted)		
Net Profit for the year	30693	61546
No. of shares	50000	50000
Earning Per Share	0.61	1.23

Note No. 20:**Particulars of Amount payable to Small Scale Industries:**

There are no amount payable to Small Scale Industries.

Note No. 21

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of the Revised Schedule VI for the previous year's figures does not impact recognition and measurement principles followed for preparation of financial statements.

Note No. 22

The Company has entered in the field of agriculture, horticulture, etc. as its main activity in terms of special resolution passed in extra ordinary General meeting held on 17th Nov 2011. All the basic structure has been developed, plants have been sown. Pending completion of the infrastructure and testing, expenditure on the project has been classified as pre-operative expenses which shall be written off from the year of commencement of business.



ITL INDUSTRIES LIMITED (CONSOLIDATED)

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 2012 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 frame work 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:-

- a) In the case of consolidated balance sheet, of the state of affairs of ITL Industries Limited as at 31st March 2012,
- b) 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

DATED : 25.08.2012
PLACE : INDORE

(MAHAVEER K. JAIN)
PROPRIETOR
Membership No.070966
FRN – 001749C

ITL INDUSTRIES LIMITED (CONSOLIDATED)

**ITL INDUSTRIES LIMITED, INDORE
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012**

P A R T I C U L A R S	NOTE No.	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
A EQUITY AND LIABILITIES			
Share Holder's Fund			
(a) Share Capital	1	32543993	32543993
(b) Reserve & Surplus	2	148866454	132114899
(c) Minority Interest	3	100000	100000
Non Current Liabilities			
(a) Long-term borrowings	4	36762006	10285118
(b) Deferred tax liabilities		15711578	14172044
Current Liabilities			
(a) Short-term borrowings	5	92081541	75926499
(b) Trade Payables	6	85687485	94366357
(c) Other current liabilities	7	52709108	80197285
TOTAL		464462165	439706195
B ASSETS			
Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	8	138640924	102714284
(ii) Intangible assets	8	6725429	7000720
(iii) Capital work-in-progress		0	17188556
(iv) Intangible assets under development		1601500	0
(b) Non current investment	9	16445003	11651107
(c) Long-term loans and advances	10	1604071	1349201
(d) Other non- current assetss	11	345160	111884
Current Assets			
(a) Current investments	12	8620592	12010889
(b) Inventories	13	105016118	77840268
(c) Trade receivables	14	120619420	136261307
(d) Cash and cash equivalents	15	21054316	21007726
(e) Short-term loans and advances	16	43789632	52570252
TOTAL		464462165	439706195
Corporate Information & Significant accounting policies	24		
Notes on financial statements	1 to 23		

In terms of our report attached

For and on behalf of the Board of Directors

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

**(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR**

**(MAHENDRA SINGH JAIN)
JT. MANAGING DIRECTOR**

**(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C**

DATED : 25/08/2012
PLACE : INDORE



ITL INDUSTRIES LIMITED, INDORE
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

P A R T I C U L A R S	NOTE No.	For the year 2011-12 (in Rs.)	For the year 2011-12 (in Rs.)
REVENUE FROM OPERATIONS			
Sales	17	496449750	534930645
Other income	18	1991487	805862
Total revenue		<u>498441237</u>	<u>535736507</u>
EXPENSES			
(a) Cost of Material consumed	19	289854296	319817860
(b) Changes in inventories of finished goods and work-in-progress	20	-17096237	-2862437
(c) Employee benefits expenses	21	47165558	42962685
(d) Other expenses	22	120916139	120255276
(e) Interest and financial overheads	23	14785074	11172831
(f) Depreciation and amortisation expenses		8574334	7686261
Total Expenses		<u>464199164</u>	<u>499032476</u>
Profit before tax		34242073	36704030
Tax Expenses:			
(a) Current tax expense		11500000	12000000
(b) Tax Expenses of Previous Years		728145	2468360
(c) Deferred tax		1539534	500000
Total Tax Expenses		<u>13767679</u>	<u>14968360</u>
Profit after tax		20474394	21735670
Corporate Information & Significant accounting policies	24		
Notes on financial statements	1 to 23		

In terms of our report attached

For and on behalf of the Board of Directors

FOR MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS

(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR

(MAHENDRA SINGH JAIN)
JT. MANAGING DIRECTOR

(Mahaveer K.Jain)
Proprietor
Membership No. 070966
Regd. No. 001749C

DATED : 25/08/2012
PLACE : INDORE

ITL INDUSTRIES LIMITED (CONSOLIDATED)
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.03.2012**

P A R T I C U L A R S	Amount As At 31.03.2012	Amount As At 31.03.2011
NOTE NO. 1		
Share Capital		
(a) Authorised 40,00,000 Equity Shares of Rs.10/- each	40000000	40000000
(b) Issued, Subscribed & Paid-up 32,97,300 Equity Shares of Rs.10/- each with voting rights	32973000	32973000
Less : Amount due on a/c.of Allotment money	429007	429007
TOTAL	<u>32543993</u>	<u>32543993</u>
List of share holders holding more than 5% of the share capital		
Shareholder's Name		
Shri Rajendra Singh Jain	373400 (11.32%)	363400 (11.02%)
Smt. Kanchanbai Jain	168800 (5.12%)	168800 (5.12%)
NOTE NO. 2		
Reserves & Surplus		
(a) Surplus/(Deficit) in Statement of Profit & Loss		
Opening Balance	2114899	4114440
Add: Profit/(Loss) for the year	20474394	21735670
TOTAL	<u>22589293</u>	<u>25850110</u>
Less: Transferred to General Reserve	15000000	20000000
Less: Proposed Dividend	3203200	3203200
Less: Dividend Distribution Tax	519639	532011
Closing Balance (a)	<u>3866454</u>	<u>2114899</u>
(b) General Reserve		
Balance as per last Balance Sheet	130000000	110000000
Add: Transfer from P & L A/c	15000000	20000000
Closing Balance (b)	<u>145000000</u>	<u>130000000</u>
TOTAL (a) + (b)	<u>148866454</u>	<u>132114899</u>
NOTE NO. 3		
Minority Interest		
Share Capital	100000	100000
TOTAL	<u>100000</u>	<u>100000</u>
NOTE NO. 4		
Long-Term Borrowings		
Secured		
(a) Term Loan		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage in respect of Company's fixed assets both present and future and personal guarantee of Directors. Repayable in quarterly installments over specified period of loans, last installment due in Jan. 2019.)	30371562	7189773
(b) From Export Import Bank Of India		
(Secured by hypothecation of Company's fixed assets acquired out of the loan and personal guarantee of the Directors. Repayable in 12 equated quarterly installments. Last installment due in Dec. 2013)	948742	2848705
(c) From Bank Of Baroda		
(Against hypothecation of Crops, Plant & Machinery & Mortgage of agri-land. Repayable in 10 half yearly installments of Rs. 5.83 lacs each.	4104239	0



PARTICULARS	Amount As At 31.03.2012	Amount As At 31.03.2011
(d) From Others (Against hypothecation of Vehicles acquired out of the loan. Repayable in equated monthly installments over the period of loans)	1337463	246640
TOTAL	36762006	10285118
NOTE NO. 5		
Short –Term Borrowings		
Secured		
Loans repayable on demand		
From State Bank of India	57764320	73180992
From Bank Of Baroda (Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivables both present & future and personal guarantee of Directors and first pari passue charge on various plots of the company)	29772056	0
Unsecured		
Loans and advances from related parties		
From Directors	4545164	2745507
TOTAL	92081541	75926499
NOTE NO. 6		
Trade Payables		
Creditors for goods and services received	85687485	94366357
TOTAL	85687485	94366357
NOTE NO. 7		
Other Current Liabilities		
(a) Current maturities of long-term debt		
Term Loan		
Madhya Pradesh Financial Corporation, Indore	4318211	7399766
S.B.of India	1495606	0
From Export Import Bank Of India	1899963	1900009
From Bank of Baroda	583000	0
From Others	710210	96830
(b) Interest accrued but not due on borrowings		
Interest payable to MPFC	78448	161395
Interest payable to Export Import Bank of India	6637	10864
Interest payable to Bank Of Baroda	81703	
(c) Other payables		
(i) Statutory remittances	3804809	5952125
(ii) Payables on purchase of fixed assets	1060533	351793
(iii) Contractually reimbursable expenses	9102976	10430403
(iv) Customers credit Balances	25006185	49389691
(v) Proposed dividend	3203200	3203200
(vi) Unclaimed dividend	1357628	1301209
TOTAL	52709108	80197285

ITL INDUSTRIES LIMITED (CONSOLIDATED)

NOTE NO. 8

FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION & IMPAIRMENT				NET BLOCK		
	Balance as at 01.04.2011	Additions during the year	Disposals during the year	Balance as at 31.03.2012	Balance as at 01.04.2011	Depreciation/ Amortisation expenses for the year	Written back during the year	Balance as at 31.03.2012	Balance As at 31.03.2012	Balance As at 31.03.2011
(A) TANGIBLE ASSETS (FOR OWN USE)										
Land	23200265	2270862	0	25471127	0	0	0	0	25471127	23200265
Site Development	150004	498959	0	648963	83030	5010	0	88040	560923	66974
Building	30914476	19982719	0	50897195	10190071	1308362	0	11498433	39398762	20724405
Plant & Machinery	42355622	2570370	0	44925992	8282989	1609794	0	9892784	35033208	34072632
Green House & Agriculture Equipment		5502816		5502816				0	5502816	
Other Equipments	14906504	195691	0	15102195	3919467	1013326	0	4932793	10169402	10987037
Electrical Equipment	467194	0	0	467194	288575	33031	0	321605	145589	178619
Office Equipment	5307825	2845990	457952	7695863	2109552	399637	200764	2308424	5387439	3198273
Furniture & Fixture	6294242	6964062	878431	12379873	3271079	575013	249990	3596101	8783772	3023163
Computer	9203183	421689	0	9624872	5687196	1749437	0	7436632	2188240	3515988
Motor Car	6295034	3049109	110978	9233165	2570059	738548	55739	3252868	5980297	3724975
Cycle & Handcart	44614	0	0	44614	22662	2602	0	25264	19350	21952
TOTAL	139138962	44302267	1447361	181993868	36424678	7434760	506494	43352944	138640924	102714284
(B) INTANGIBLE ASSETS (FOR OWN USE)										
Software & Licenses	11352367	864283	0	12216650	6059433	990348	0	7049780	5166869	5292934
Technical Know-How	3141619	0	0	3141619	1433833	149227	0	1583060	1558559	1707786
TOTAL – (B)	14493986	864283	0	15358269	7493265	1139575	0	8632840	6725425	7000720
TOTAL – (A) + (B)	153632948	45166550	1447361	197352137	43917944	8574334	506494	51985784	145366353	109715004
Previous year	144401076	11010238	1778366	153632948	37518156	7686261	1286473	43917944	109715004	

PARTICULARS

**Amount in Rs.
As At 31.03.2012**

**Amount in Rs.
As At 31.03.2011**

NOTE NO. 9

Investments (At Cost)

Trade Investments

Unquoted, Non-Trade-Long Term :-

- Investment in equity instruments of subsidiaries M/s.ITL International LLC., USA	0	1253066
- Investment in equity instruments of associates M/s.Luhadia Sons P. Ltd. 470800 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 155800 Shares)	7228000	1558000
M/s.Indore Tools Pvt. Ltd. 380225 Equity Shares of Rs. 10 each (Fully Paid) (Previous Year 380225 Shares)	3999975	3999975
- Investment in Other company	5217028	4840066
TOTAL	16445003	11651107

NOTE NO. 10

Long-term loans and advances

Deposits (secured, considered good)	1604071	1349201
TOTAL	1604071	1349201

NOTE NO. 11

Other Non Current Assets

(i) Preliminary Expenses	31350	31350
(ii) Preoperative Expenses	313810	80534
TOTAL	345160	111884



PARTICULARS	Amount in Rs. As At 31.03.2012	Amount in Rs. As At 31.03.2011
NOTE NO. 12		
Investments (At Cost) – Trade Investments		
(a) Quoted but not listed-current Investments	2300000	5500000
(b) Quoted and Listed (Equity shares)	6320592	6510889
TOTAL	8620592	12010889
NOTE NO. 13		
Inventories		
(Valued at Cost)		
(a) Raw Materials & Bought Out Components	48593310	43226790
(b) Work in Process & Semi finished Goods	32243169	13807685
I Finished Products	4075	104162
(d) Stock of Trading Goods	22696927	20419289
(e) Stores, Spare Parts & Standard Items	1478638	282343
TOTAL	105016118	77840268
NOTE NO. 14		
Trade Receivables		
(Unsecured, considered good)		
(a) Outstanding for a period exceeding six months	40119349	69822486
(b) Others	80500071	66438821
TOTAL	120619420	136261307
NOTE NO. 15		
Cash & Cash Equivalents		
(a) Cash in hand	248372	1177809
(b) Balances with banks		
(i) In Current Accounts	1571848	1413107
(ii) Unclaimed Dividend	1357628	1301209
(c) Others		
Fixed Deposit Account	19772883	18671403
Accrued interest on fixed deposits	646673	585853
Less: OD Limit from IDBI Bank Ltd.(against pledge of FDR)	-2543088	-2141655
TOTAL	21054316	21007726
NOTE NO. 16		
Short Term Loans & Advances :		
Unsecured, considered good		
(a) Loans and advances to related parties	0	12481550
(b) Deposits	1003104	1046915
(c) Loans and advances to employees	2995630	2779559
(d) Prepaid expenses	306743	269631
(e) Advance payment of Income Tax	8809843	11045248
Less: Provision for Income Tax	-11500000	-12000000
(f) Balance with government authorities		
(i) Cenvat credit receivable	2078149	1742084
(ii) VAT credit receivable	1570102	0
(iii) Service Tax credit receivable	665370	922642
(g) Inter-corporate deposits	3600000	1499998
(h) Others		
(i) Unsecured considered good	34260692	32782625
TOTAL	43789632	52570252

ITL INDUSTRIES LIMITED (CONSOLIDATED)

P A R T I C U L A R S	2011 - 12	2010 - 11
NOTE NO. 17		
Revenue from Operations		
(a) Sales (Net of Sales Tax)	477189762	530849807
(b) Job Work & Commissioning Charges	19259988	4080838
TOTAL	<u>496449750</u>	<u>534930645</u>
NOTE NO. 18		
Other Income		
Discount Received	1099886	0
Miscellaneous Income	891602	805862
TOTAL	<u>1991487</u>	<u>805862</u>
NOTE NO. 19		
Cost of Material Consumed/Sold		
Opening Stock	63646079	42852186
Add : Purchases	297498454	340611752
	<u>361144533</u>	<u>383463938</u>
Less: Closing Stock	71290236	63646079
TOTAL	<u>289854296</u>	<u>319817860</u>
NOTE NO. 20		
Change in Inventory of Finished Goods and Work In Process		
Opening Stock	13911847	11049410
Less- Closing Stock	31008084	13911847
TOTAL	<u>-17096237</u>	<u>-2862437</u>
NOTE NO. 21		
Employee Benefits Expenses		
Salary, Wages & Allowances (Including Bonus)	38463499	34091143
Welfare Expenses	1232870	1438061
Security Expenses	557134	511832
Contribution to E.S.I.C.	584490	570886
Contribution to P.F.	777897	751908
Directors' Remuneration	4786468	4835655
Contribution to P.P.F	381600	381600
Bonus / Ex-gratia to Directors	381600	381600
TOTAL	<u>47165558</u>	<u>42962685</u>
NOTE NO. 22		
Manufacturing, Administration and Selling Overheads		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	282343	526066
Add: Purchases	1797550	1984556
	<u>2079893</u>	<u>2510622</u>
Less : Closing Stock	1478638	282343
Consumed during the year	601255	2228279
Component Processing Charges	21987878	21603422
Power & Fuel	2084445	1772108
Repair & Maintenance to : 1. Plant & Machinery	1455760	404766
2. Building	666447	227164
Entry Tax	953953	1306273
Excise Duty	35301255	42537868
Freight & Cartage inward	4012969	5298297
Material Shifting & Handling Charges	6718576	4005504



PARTICULARS	2011 - 12	2010 - 11
Manufacturing Expenses (Bettiah Project)	1629999	1747604
Other Manufacturing Expenses	810747	648251
TOTAL (A)	76223284	81779536
B. General & Administrative Overheads :		
Rent, Rates & Taxes	1797589	1815166
Charity & Donation	279038	247351
Computer Charges	1260042	722307
Stationery & Printing	751444	814402
Telephones & Internet	1426252	1398598
Postage & Courier	253848	284290
Travelling & Conveyance	10173039	9460879
Legal & Professional Charges	9437444	7519812
Auditor's Remuneration	70000	65000
Insurance	322761	256911
Loss on Sale of Assets	867492	229394
Loss on Sale of Investment	0	886767
Other Expenses	3463091	2304004
TOTAL (B)	30102039	26004881
C. Selling & Distribution Expenses :		
Sales Promotion Expenses	856694	939609
Freight & Cartage outward	1989563	1771838
Sales Commission & Discount	2312547	3565508
Advertisement & Ehibition expenses	2837640	4233362
Bad Debts	4449642	731666
Late Delivery Charges	1114706	153599
After Sales & Service Exps.	800132	979443
Other Expenses	229892	95832
TOTAL (C)	14590816	12470859
GRAND TOTAL (A+B+C)	120916139	120255276
NOTE NO. 23		
Interest & Finance charges		
On Fixed Period Loans	1405874	2029536
Other Loans (Bank)	12918224	8741817
Interest to Others	1475	2
Other Financial charges	2420673	2430201
TOTAL (A)	16746246	13201556
Less : Interest Received		
Interest received	1961172	2028725
TOTAL (B)	1961172	2028725
GRAND TOTAL (A-B)	14785074	11172831

NOTE NO. 24

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. Accounting policies:

Significant accounting policies are summarized below:

1. Accounting Convention:

The accounts have been prepared in accordance with the historical convention under accrual basis of accounting as per Indian GAAP. Accounts and disclosures thereon comply with the accounting standards specified 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), and Dimart Engineering Pvt. Ltd. (80% stake wherein is held by ITL Industries Ltd.).

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

- a. The financial Statements of the parent Company and its subsidiary Company have been combined on a line-by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.
- b. Investments of parent Company in subsidiary are eliminated against respective proportionate stake of parent company therein on 31.03.2012
- c. 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.
- d. Minority interest, consisting equity attributable to them on 31.03.2012 has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of parent Company.
- e. The Subsidiary incorporated in the financial statements have not commenced commercial activities. As per resolution passed in the Extra Ordinary General Meeting of the Subsidiary Company, it has undertaken agricultural activities covered under other objects adopted as main object, which is as per the provisions of Sub Section (2A) read with Subsection (7) of Section 149 of the Companies Act, 1956. All other accounting policies adopted by the parent company have been followed.

3. Notes on accounts:

i. Contingent Liabilities/Capital Contract;

a. Commitment on Capital Account by Subsidiary Company: NONE

b. The other contingent liabilities pertain to the parent company and are enumerated along with the accounts of the parent company.

ii. The Subsidiary Company incorporated has not commenced commercial activities, but there are related parties transactions (AS-18) as enumerated are as under :

M/s. Indore Tools Pvt. Ltd.

- Purchase (Machinery)	-	Rs.	41,10,750/-
- Purchase (Raw Materials)	-	Rs.	3,30,960/-

M/s. Mahaveer Krishi Kendra P.Ltd.

- Purchase (Machinery)	-	Rs.	5,92,485/-
- Purchase (Raw Materials)	-	Rs.	2,91,330/-
- Rent	-	Rs.	5,000/-

iii. 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.

iv. Earning per share:

Net Profit After Tax	-	Rs.	2,04,74,394/-
Less: Miscellaneous Expenditure	-	Rs.	<u>3,45,160/-</u>
Net Profit	-	Rs.	<u>2,01,29,234/-</u>
No. of Shares			3254399
Earning Per Share		Rs.	6.19



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
- * **ITL - e Supply** ALL KIND OF INDUSTRIAL PRODUCTS THROUGH WEB PORTAL



ITL INDUSTRIES LIMITED
111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) - 452015

PROXY FORM

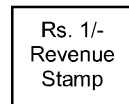
I/We
 being a Member / Members of ITL INDUSTRIES LIMITED hereby appoint
 of
 (or failing him / her)
 of as my / our Proxy in my/our absence to attend and vote for me/us, and on my / our
 behalf at the 24th Annual General Meeting of the Company to be held on 28th September, 2012 at 11.30 a.m. at the Registered Office of the
 Company, 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) – 452015.

AS WITNESS my / our hands this day
 2012 Signed by said
 in the presence of

For OFFICE USE ONLY

Proxy No.
 Folio No.
 No. of Shares

 (Signature)



- 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, Industrial Area, Indore (M.P.) – 452015
(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 24th ANNUAL GENERAL MEETING held on 28th September, 2012 at 11:30 a.m. at 111, Sector – B, Sanwer Road, Industrial Area, Indore (M.P.) – 452015.

ITL - e Supply

ALL KIND OF INDUSTRIAL PRODUCTS THROUGH
WEB PORTAL