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Dear Shareholders,

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

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

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

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

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

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

The support of our shareholders, business associates, valued customers and financial institutions has always been a source of strength to us and we thank all of them wholeheartedly for remaining the integral part of our growth story. I also wish to thank all the employees for their devoted efforts in bringing the company to the present level.

Thanking you,



**Er Rajendra Singh Jain**  
Chairman & Managing Director

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#### DIRECTORS

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

#### AUDITORS

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

#### REGISTERED OFFICE & WORKS

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

#### BANKERS

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

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

#### ADVISORS/CONSULTANTS

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

#### DIVISIONS

Indtools Sales & Services  
Indore Saws & Tools

#### REGISTRAR & SHARE TRANSFER AGENT

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

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

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

## NOTICE

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

**ORDINARY BUSINESS:**

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

## SPECIAL BUSINESS

## ORDINARY RESOLUTION

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

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

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

### Category-A

- |      |   |  |
|------|---|--|
| i)   | Housing   |  |
| a)   | The expenses incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 50% of the Salary.   |  |
| b)   | In case of accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.   |  |
| c)   | In case of no accommodation is owned by the Company, the said Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing (a).                     |  |
| ii)  | Medical Reimbursement:  |  |
|      | Reimbursement of expenses incurred for self on actual basis, and for family subject to a ceiling of one month's salary in a year or three months salary over a period of three years. |  |
| iii) | Leave Travel Concession:  |  |
|      | Leave Travel Concession for self and family once in a year incurred, in accordance with the Rules of the Company.   |  |
|      | Explanation : Family means the spouse, the dependent children and dependent parents.  |  |
| v)   | Club Fees   |  |
|      | Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.   |  |
| vi)  | Personal Accident Insurance :   |  |
|      | Personal Accident Insurance of an amount, the annual premium of which shall not be exceeding Rs.1000/- per month  |  |

### Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :  
Company's contribution towards Provident Fund / Public Provident Fund @ 12% of the salary.
- b) Gratuity:  
Gratuity as per the rules of the Company, but shall not exceed half-a-month's salary for each completed year of service.

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

### Category - C

Company Car and Telephone at Residence :

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

### Minimum Remuneration

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

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



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

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

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

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

#### Category-A

- i) Housing
  - a) The expenses incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 50% of the Salary.
  - b) In case of accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
  - c) In case of no accommodation is owned by the Company, the said Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing (a).
- ii) Medical Reimbursement:  
Reimbursement of expenses incurred for self on actual basis, and for family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession:  
Leave Travel Concession for self and family once in a year incurred, in accordance with the Rules of the Company.  
Explanation :Family means the spouse, the dependent children and dependent parents.
- v) Club Fees  
Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.
- vi) Personal Accident Insurance :  
Personal Accident Insurance of an amount, the annual premium of which shall not be exceeding Rs.1000/- per month.

#### Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :  
Company's contribution towards Provident Fund / Public Provident Fund @ 12% of the salary.
- b) Gratuity:  
Gratuity as per the rules of the Company, but shall not exceed half-a-month's salary for each completed year of service.

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

#### Category - C

Company Car and Telephone at Residence :

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

#### Minimum Remuneration

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

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

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

**For and On behalf of the Board**

#### Regd. Office :

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

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)

**NOTES**

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



## 11. OUTSTANDING CALL MONEY:

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

### EXPLANATORY STATEMENT:

#### ITEM NO.6 & 7:

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

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

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

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

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

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

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

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

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

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

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

**For and On behalf of the Board**

#### Regd. Office :

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

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)



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

(In pursuance of Clause 49 of the Listing Agreements)

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

Name of Director	Shri Rajendra Singh Jain	Shri Mahendra Singh Jain
Category	Executive Director	Executive Director
Inter relationship	Son of Mr.Manohar Singh Jain	Cousin Brother of Mr. Rajendra Singh Jain
Date of Birth	20th April, 1954	19th October, 1957
Date of Appointment	1st February, 1993	1st February, 1993
Qualification	B.E. (Mech.), Hon. Ph.D.	M.Com, PGDBM
Expertise in specific Functional areas	Mr. Rajendra Singh Jain is B.E. (Mech.), Hon. Ph.D., and is having 30 years of rich experience in the Engineering Industry. He has thorough practical knowledge in this Industry and his contribution in the development of this sector especially in the segment of indigeneneous manufacture of Metal Cutting Machines viz. Bandsaw, Circular Saw Machines is significant. ITL Industries is growing at a good pace under is rich experience and able leadership. Mr. Jain is very innovative and is always keen to adopt latest technologies and has contributed a lot in the growth of the Company.	Mr. Mahendra Singh Jain is a post graduate in Commerce and has done PGDBM. He is ex-banker also and has rich experience of about 27 years in this Industry. He has thorough knowledge in the field of Finance and administration.
List of other Public Companies in which Directorships held	NIL	Mahaveer Krishi Kendra Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' / Investors' Grievance Committee	NIL	NIL
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' / Investors' Grievance Committee	NIL	NIL
Shareholdings in the Company	363400	69800







## DIRECTOR'S REPORT

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

### 01. FINANCIAL RESULTS :

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

### 02. DIVIDEND :

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

### 03. OPERATIONS :

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

### 04. FUTURE OUTLOOK :

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

### 05. DIRECTORS :

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

### 06. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

## ITL INDUSTRIES LIMITED

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- iii) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on going concern basis.

### 07. PUBLIC DEPOSIT :

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

### 08. PERSONNEL :

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

### 09. AUDITORS :

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

### 10. CORPORATE GOVERNANCE :

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

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

### 11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

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

### 12. INDUSTRIAL RELATIONS :

Industrial relations of the Company remained cordial during the year.

### 13. SUBSIDIARY COMPANIES :

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

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

### 14. CONSOLIDATED FINANCIAL STATEMENTS :

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

### 15. ACKNOWLEDGEMENT :

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

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

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

**For and On behalf of the Board**

### Regd. Office :

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

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)