

MY WORDS

Dear Shareholders,

The global economy is gradually picking up from the worst of the meltdown of 2008. While growth rates have moderately improved, it will still take some time to get back to the pre-crisis regime. However, the fundamentals of the global economy appear to be reasonably good. The IMF has forecasted a growth of 2.3% for the advanced countries and 6.3% for the emerging economies. Out of all the countries, China's growth has remained most impressive. Its economy has recorded a double-digit growth for the last several quarters and it continues to surge and lead developing economies.

India also is on a strong growth track, our economy is slated to grow in excess of 8% just in the vicinity of double digit. Consumer spending is gaining momentum. Private investment is picking up steam globally and in India too, the trend is encouraging. These aspects will certainly contribute in your Company's growth and performance. However the high inflation is concerning policy makers world over, especially in emerging countries like India. The central banks are raising the interest rates to control inflation which in turn has started affecting growth rates negatively.

The company recorded a turnover Rs 53.56 crores in 2010-11 as against Rs 67.64 crores in 2009-10. In the preceding year, margins and turnover were higher because of SAIL turnkey ERW pipe project. Excluding the same, the company has achieved a good growth in turnover and profits. Looking to the current order book position in the current year, company is hopeful of nearly achieving the record turnover.

New developments as well as modifications in existing models are necessary to offer value for money to our esteemed customers. Development of new NC Fly Cut off machine for Tube Mills and NC Carbide Circular Sawing Machine for bigger size bar cutting has been taken for commercial production and market response is good for the same. Apart from Designing and manufacturing activities, company's trading divisions are performing well. Company has plans to set up Industrial Supply Division wherein about a Lac products required by the Engineering Industries will be traded through a Dynamic Web Portal, presently, viability, study and research work is in progress regarding the same.

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

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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 India

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
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, 2551745

ISIN (DMAT) NO.: 478D01014

Website : www.itl.co.in

BSE Scrip Code :522183

NSIC - CRISIL RATING :- SE2A

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of **ITL INDUSTRIES LIMITED** will be held on Wednesday the 28th September, 2011 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, 2011 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, 2011.
3. To elect Director in place of Shri Dinesh Jain, who retires by rotation and being eligible offer himself for reappointment.
4. To elect Director in place of Dr. S.K. Kapoor, 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.

Regd. Office :

111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 25/08/2011

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 Saturday the 24th September, 2011 to Wednesday the 28th September, 2011 (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., 2011 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 23rd September, 2011 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, 2011. 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 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.

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 23rd September, 2011 failing which they will not be entitled for dividend on the partly paid-up shares.

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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 Agreement)

Name of Director	Shri Dinesh Jain	Dr. S.K.Kapoor
Category	Independent Director Non-Executive	Independent Director Non-Executive
Inter relationship	Not related	Not related
Date of Birth	25th May, 1959	12th October, 1931
Date of Appointment	19th August, 1994	30th December, 2005
Qualification	B.Com, L.L.B.	M.Com, L.L.B.
Expertise in specific Functional areas	Independent Director of Company and wide experience in business	Independent Director of Company and retired Labour Commissioner.
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- Chairman 2. Shareholders'/Investors' Grievance Committee-Member	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	22900	NIL



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 23rd Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2011.

01. FINANCIAL RESULTS :

(Amount in Rs.)

		Financial year ended 31.03.2011	Financial year ended 31.03.2010
a)	Sales & Other Income	535572461	676369793
b)	Profit before interest, Depreciation & Tax	55501577	97787321
c)	Less : - Interest and Finance Charges	11172831	12127413
	- Depreciation	7686261	7040302
d)	Profit before Tax	36642485	78619606
e)	Less : Provision for Tax Current year	12000000	27000000
f)	Less : Deferred Tax Liabilities	500000	1176850
g)	Less : Income Tax earlier year	2468360	394703
h)	Profit after Tax	21674125	50048053
i)	Profit brought forward from previous year	4114439	301597
j)	Profit available for appropriations	25788564	50349650
k)	Transferred to General Reserve	20000000	42500000
l)	Proposed Dividend	3203200	3203200
m)	Provision for Dividend Distribution Tax	532011	532011
n)	Balance carried to Balance Sheet	2053353	4114439

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, 2011 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. 6763.70 lacs to Rs.5355.72 lacs , because in the year 2009-10 the Company had executed a special project of SAIL & due to above, profit after Tax of the Company for the year under review has also decreased from Rs. 500.48 lacs to 216.74 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 Dinesh Jain and Dr.S.K.Kapoor, retire by rotation and being eligible, offers themselves for re-appointment.

06. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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



- 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 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. and M/s. Luhadiya Sons Shahpura Pvt. Ltd. are subsidiaries of your Company. The business operations of the said companies have not been commenced.

The Statement pursuant to Sector 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 Directors 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. Luhadiya 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, 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.

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For and On behalf of the Board

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)





A. RESEARCH & DEVELOPMENT:

2. Benefits derived as a result.

Better Market coverage & New Market Development, cost reduction saving of Foreign Exchange on account of further indigenization.

To develop special purpose Machines / Plants.

- a) Capital
b) Recurring

Total R & D expenditures as a Percentage of total turnover

2010-11	2009-10	2008-09
Rs. 3.63 Lacs	Rs. 06.99 Lacs	Rs.15.07 Lacs
Rs.106.36 Lacs	Rs. 78.71 Lacs	Rs.50.88 Lacs
<u>Rs.109.99 Lacs</u>	<u>Rs. 85.70 Lacs</u>	<u>Rs. 65.95 Lacs</u>
2.05 %	1.27 %	1.91 %

1. Efforts in brief made towards technology absorption
2. Benefits derived as a result of the efforts, e.g. product improvement, Cost reduction product development, import substitution etc.
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.

Technology developed by R & D Department is fully absorbed for manufacturing of special purpose Machine. Import substitution in the areas of special purpose machinery resulting in cost reduction and conservation of Foreign Exchange.

NIL

Not Applicable

—

Not Applicable

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.
- c. Impact of the measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods.
- 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

NIL

NIL

Not Applicable

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

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DATED : 25/08/2011

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 thru 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 along with up gradation of technology.

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

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

Manufacturing Division has achieved Sales / Income of Rs. 4486.30 lacs in the year 2010-11 as against Rs. 6065.18 lacs in the year 2009-10. This apparent decrease in turnover is due to the fact that the Company had executed a major project for SAIL and during the previous financial year i.e. 2009-10, major portion of the total project was billed. If this being excluded, the Company's growth is on upward swing 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. 869.42 lacs in the year 2010-11 as against Rs. 698.52 lacs in the year 2009-10. 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 Enquiries 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 to 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 from Rs. 6763.70 lacs to Rs. 5355.72 lacs & profit after Tax of the Company for the year under review has also decreased from Rs. 500.48 lacs to 216.74 lacs. This is due to execution of a special project for SAIL during the financial year 2009-10, otherwise overall growth of the Company is good.

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

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

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

We are proud to report that we have 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 and On behalf of the Board

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)

PLACE : INDORE
DATED : 25.08.2011