

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

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

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

DIRECTOR'S REPORT

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

Dear Shareholders,

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

FINANCIAL RESULTS

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

GENERAL REVIEW

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

ACCEPTANCE OF DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

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

DIRECTOR RESPONSIBILITY STATEMENT

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

1. In presentation of the annual accounts, the applicable standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

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

APPRECIATION

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

For and On behalf of the Board of Directors

(Rajendra Singh Jain)
Director

Date : 14th August, 2010
Place :Indore

(Mahendra Singh Jain)
Director

AUDITOR'S REPORT

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

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

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

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

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

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

Place : Indore
Dated: 14/08/2010



BALANCE SHEET AS AT 31st MARCH, 2010

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

As per our report of even date annexed

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

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

(Mahendra Singh Jain)
DIRECTOR

(Rajendra Singh Jain)
DIRECTOR

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

DATED : 14/08/2010
PLACE : INDORE

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

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

SCHEDULE NO. 6

NOTES ON ACCOUNTS

1. Significant Accounting Policies

(a) Basis of Preparation

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

(b) Revenue Recognition

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

2. Contingent Liabilities : Nil

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

4. Related Parties Disclosure:

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

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

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

Loan received	Rs. 15350
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5. Auditor's Remuneration includes the following :

PARTICULARS	2009-10
A. Audit Fees	Rs. 5000
Total	Rs. <u>5000</u>

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

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



PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. State Code
 Balance Sheet Date

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

Public Issue Right Issue
 Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds:-

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

Application of Funds :-

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

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

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

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

Item Code No. (ITC Code)

Product Description

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

As per our report of even date annexed

For Dimart Engineering Pvt. Ltd.

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director

DIRECTOR'S REPORT

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

Dear Shareholders,

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

FINANCIAL RESULTS

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

GENERAL REVIEW

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

ACCEPTANCE OF DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

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

DIRECTOR RESPONSIBILITY STATEMENT

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

1. In presentation of the annual accounts, the applicable standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

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

APPRECIATION

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

For and On behalf of the Board of Directors

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director



AUDITOR'S REPORT

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

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

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

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

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

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

Place : Indore
Dated: 14/08/2010

LUHADIA SONS SHAHPURA PVT. LTD.

BALANCE SHEET AS AT 31st MARCH, 2010

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

As per our report of even date annexed

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

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

(Mahendra Singh Jain)
DIRECTOR

(Rajendra Singh Jain)
DIRECTOR

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

DATED : 14/08/2010
PLACE : INDORE



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

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

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. State Code
 Balance Sheet Date

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

Public Issue Right Issue
 Bonus Issue Private Placement

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

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

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

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

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

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

As per our report of even date annexed

For Luhadia Sons Shahpura Pvt. Ltd.

Date : 14th August, 2010
Place : Indore

Mahendra Singh Jain
Director

Rajendra Singh Jain
Director