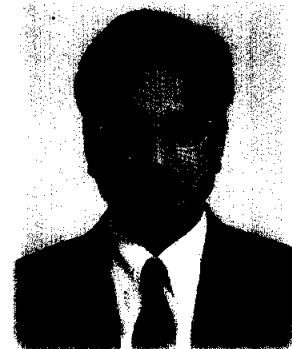


ANNUAL REPORT
2001-02



ITL Industries Ltd.



Dear Shareholders,

The year 2001-2002 has proved to be a landmark year in the history of your company. The company has not only achieved highest ever turnover and highest ever profit after tax but declared its maiden Dividend.

Contrary to this, the happening of events world over during the year like September 11 Air attacks on the World Trade Center and Pentagon in the USA, the 13th December attack on Indian Parliament, posting of armed forces at the borders and travel warnings by western countries against India have worsened the economy. Recent US accounting scandals of telecom and energy giants brought down the investor / consumer confidence to the lowest ebb.

In the year 2001-02 index of industrial production recorded the lowest growth rate of 2.70 % since 92-93. The capital goods industry was no exception to it. On the machine tool front the domestic scene remained very poor.

The determined resolve to grow against the overall recessionary trends prevailing during these year made it possible for the company to achieve higher heights by spreading its wings towards world market. During the year under review, the company could make exports worth 757 lacs to one of the fortune 500 company based in the USA who is a world leader in the field of power generation equipments.

The continued philosophy of the company, to maintain and build infrastructure for production to the requirement of international standards has not only helped in increasing its market share in the field of Bandsaws but also helped in successfully completing export order well on schedule. The Special Purpose Machine supplied to US has been successfully commissioned in July this year.

In the year under review we further developed our technological and infrastructure capabilities to produce Special Purpose Machines (SPM), which are expected to give returns in times to come. The work on Special Purpose Machines (SPM) for the various leading companies of India and US are at various stages of development. To meet export requirements, company has invested around Rs. 100 lacs on Research & Development and on essential infrastructure for production.

In addition to production of Special Purpose Machines & Bandsaw Machines, company has started producing equipments for the manufacture of Pipes / Tubes. The company hopes to perform well in this segment too.

Based on the last year experience of exports to the USA, and looking to the increasing customers expectations regarding after sales service support, ITL has formed its subsidiary in the name of ITL International LLC. Subsidiary has sales office with warehouse facilities to stock fast running models of Bandsaws and Blades alongwith their spares.

Since 1996 company has been participating in Americas largest machine tool show IMTS (Chicago). This year also company is displaying its latest models of Bandsaw machines in this show and expects generation of good demand in near future.

During the current year domestic industrial scene has started showing definite signs of recovery. The enquiries and orders received by the company till date confirm the same. The enquiries from the global markets are also on optimistic note and are at various stage of developments / negotiations.

Shares of the Company have been dematerialised & now trading in shares of the company are permitted only in DMAT form. The company has entered into agreement with both NSDL and CDSL for dematerialisation of shares.

The support of our shareholders, customers, business associates & financial institutions has always been a source of strength to us & thank them for being part of our growth story. I wish to thank all the employees for their efforts in bringing Company to this heights.

Thanking you,

RAJENDRA SINGH JAIN
Chairman & Managing Director

ITL Industries Limited Annual Report 2001-02

DIRECTORS

MADAN SINGH JAIN
 MANOHAR SINGH JAIN
 RAJENDRA SINGH JAIN
 MAHENDRA SINGH JAIN
 VIJAY KASAT
 ATUL MOONAT
 RAHUL MODI
 DINESH JAIN
 N.CHAKRABORTY

Chairman & Managing Director
Whole Time Director
Whole Time Director
Whole Time Director
Whole Time Director

AUDITORS

M/s. MAHAVEER M. JAIN & CO.
 Mishra Chambers,
 2nd Floor,
 187, Jail Road,
 INDORE-452007 (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
 Industrial Finance Branch,
 A.B.Road ,Near G.P.O.
 INDORE (M.P.)

ADVISORS / CONSULTANTS

Dr. S.K. Kapoor
 Mr. M.K. Badjatya

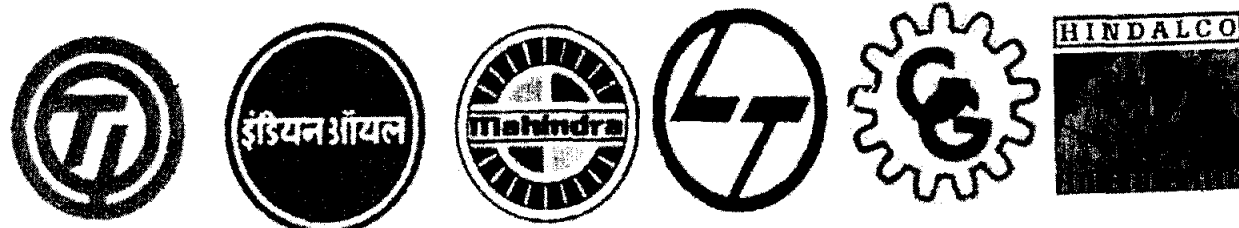
DIVISIONS

INDTOOLS SALES & SERVICES
 ITL SAWS & TOOLS
 ITL AGRO PRODUCTS

ISIN (DMAT) No. : 478D01014

BSE Scrip Code : 522183

..... *Galaxy Of Customers*



..... ITL Industries Limited

RANGE OF PRODUCTS

- * ALLUMINIUM SLAB AND TRIM CUTTING STATION
- * HIGH SPEED ALLUMINIUM BILLET CUTTING MACHINE
- * HIGH SPEED METAL CUTTING BANDSAW MACHINES
- * DOUBLE COLUMN TYPE
- * VERTICAL TYPE
- * HYDRAULIC KEYWAY SLOTTING MACHINE
- * HYDRAULIC POWER PACKS
- * HYDRAULIC POWER HACKSAW MACHINES
- * SPECIAL PURPOSE MACHINES (TAILOR MADE)
- * STATOR BAR PRESS
- * TUBE MILLS FOR TUBE AND PIPE MANUFACTURING
- * TUBE POINTING MACHINES
- * CIRCULAR SAWING MACHINES
- * DRAW BENCHES
- * SWAGING MACHINES

DIVISION'S ACTIVITY

- | | |
|-----------------------------|---|
| * INDTOOLS SALES & SERVICES | AUTHORISED DISTRIBUTORS FOR
HYDRAULIC PRODUCTS OF
M/S. VICKERS SYSTEM -
INTERNATIONAL LIMITED. |
| * ITL SAWS & TOOLS | DISTRIBUTOR FOR INDIA
FOR BIMETAL BANDSAW BLADES,
HACKSAW BLADES & OTHER TOOLS. |

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 14th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2002.

01. FINANCIAL RESULTS :

	(In Rs.)	
	Financial year ended 31.03.2002	Financial Year ended 31.03.2001
(a) Sales & other Income	13,81,52,175	12,00,76,486
(b) Profit before interest, depreciation & tax	2,14,43,459	1,05,08,047
(c) Less : Interest	34,06,480	69,27,382
Depreciation	18,54,607	17,71,860
(d) Profit before tax	1,61,82,372	18,08,805
(e) Less : Provision for tax current year	25,00,000	3,50,000
(f) Add : Deferred Tax Assets current year	18,120	--
(g) Profit after tax	1,37,00,492	14,58,805
(h) Add : Excess provision of tax earlier years	25,963	--
(i) Profit brought forward from previous Year	27,35,920	27,77,115
(j) Profit available for appropriations	1,64,62,375	42,35,920
(k) Transferred to General Reserve	75,00,000	15,00,000
(l) Proposed Dividend	32,09,050	--
(m) Balance carried to Balance Sheet	57,53,325	27,35,920

REVIEW OF WORKING RESULTS :

The Company, for the year ended March 31, 2002 recorded a turnover of Rs. 1381.52 lacs, as compared to Rs. 1200.76 lacs for the year ended March 31, 2001, representing a growth of about 15 %. Interest during the year drop-down to Rs.34.06 lacs as against Rs.69.27 lacs of previous year i.e. a fall of 51%. The profit before tax is Rs. 161.82 lacs for the year ended March 31, 2002 as compared to Rs. 18.09 lacs for the previous year, representing a growth of about 895 %. The profit after tax is Rs. 137.00 lacs as compared to Rs. 14.59 lacs in the previous year, representing a growth of 939 %.

Despite intense competition the Company's performance was better than expected.

02. DIVIDEND :

Your Directors are pleased to recommend Maiden Dividend at the rate of Rs. 1/- Per share (10 %) for the year ended March 31,2002 , subject to the sanction of the members in the ensuing Annual General Meeting.

03. OPERATIONS :

DOMESTIC :

Marketing division of Hydraulics performed satisfactory during the year under review, but the performance of Machine Tool & Blade Division was not upto the desired level.

EXPORT :

In the global market the Company has made a good break- through during the year & could export Special Purpose Machines worth Rs.757 lacs to a leading Power Generation Corporation of the USA.

04. EXPANSION :

To meet increased demand for new products , Company has invested Rs. 100 lacs (Approx.) for the necessary infrastructure & facilities .

05. FUTURE OUTLOOK :

The domestic scene as compared to the last year has improved for better in the current year. The present level of Enquiries & Orders for Marketing division of Hydraulics, Machine Tool & Blade Divisions are showing good sign for recovery. The Company is hopeful of doing much better in the domestic market during the year 2002-2003. On the export front the enquiries at present are on optimistic note.

Apart from Bandsaw Machines, designing and manufacturing of equipments for production of Pipes and Tubes as well as Special Purpose Equipments based on customers needs is on up-beat. Good orders have been received for these product line as well as many enquiries have been received from home and international market for such equipments.

06. INCORPORATION OF SUBSIDIARY COMPANY:

Looking to the increasing customers expectations regarding after sales support, ITL has formed its subsidiary in the name of ITL INTERNATIONAL LLC in the USA. Subsidiary has sales office with warehouse facilities, and the above subsidiary has already started its activities in the USA from the current financial year.

ITL Industries Limited

