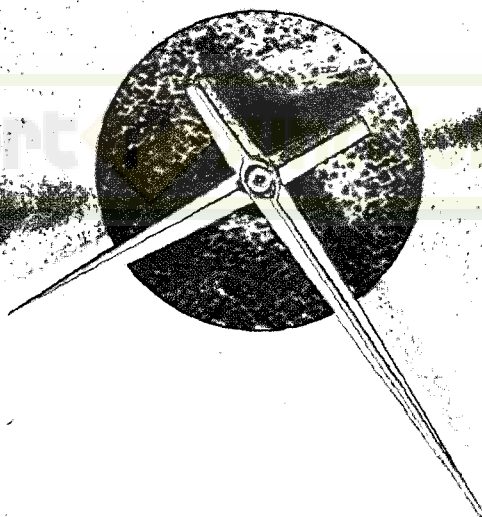


ITL INDUSTRIES LTD.



Technology with time

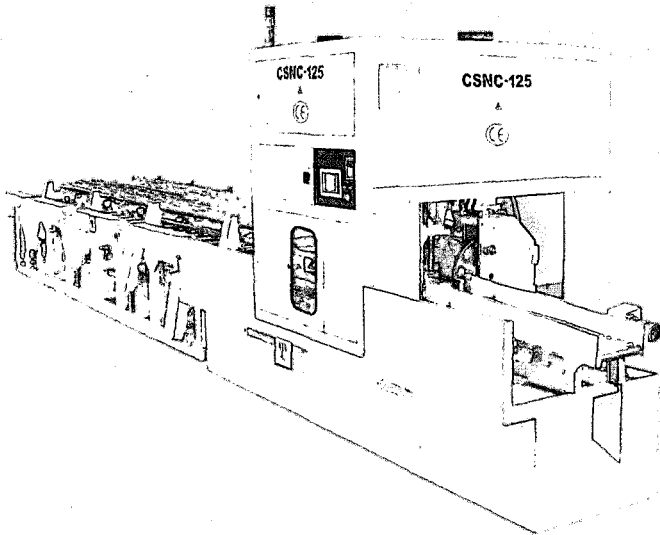


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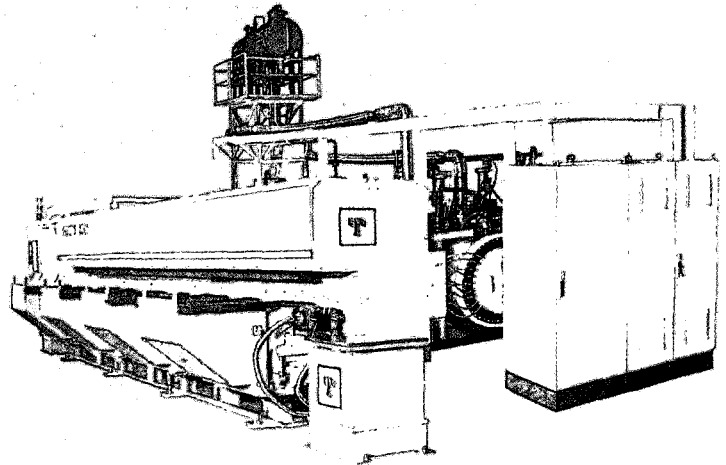
ANNUAL REPORT



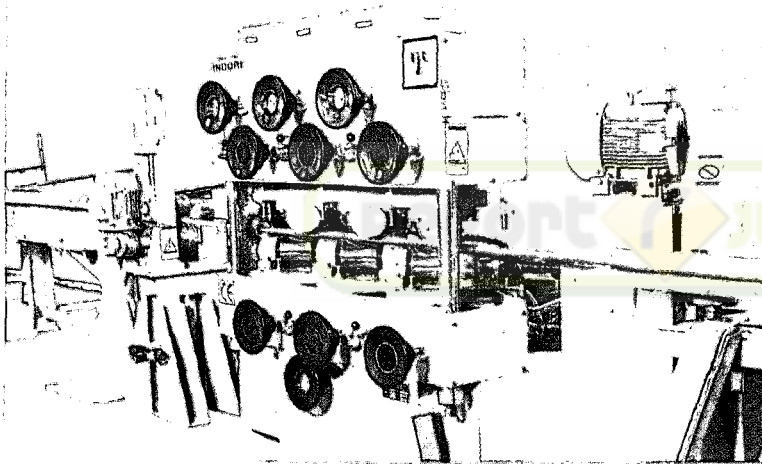
## MAJOR PRODUCTS IN PORTFOLIO



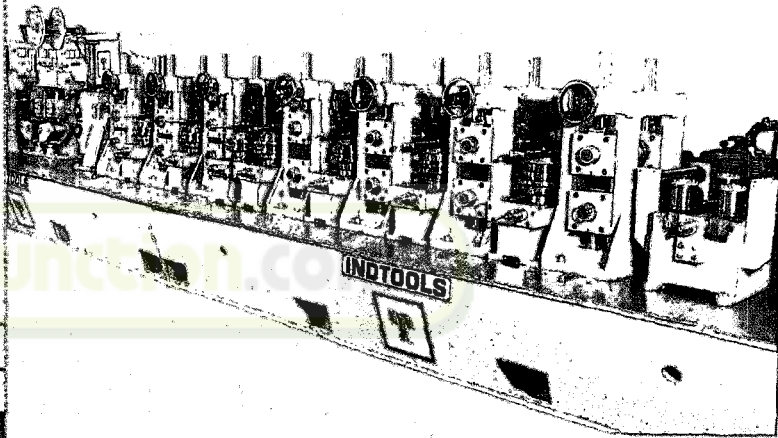
High Speed Circular Sawing Machine



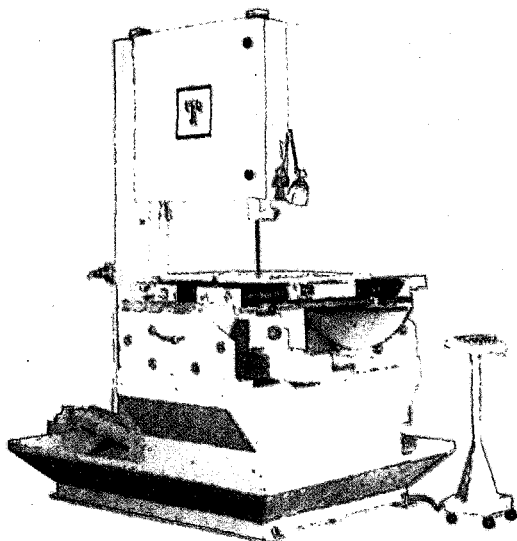
IT-Generator Stator Bar Press for 1000 MW



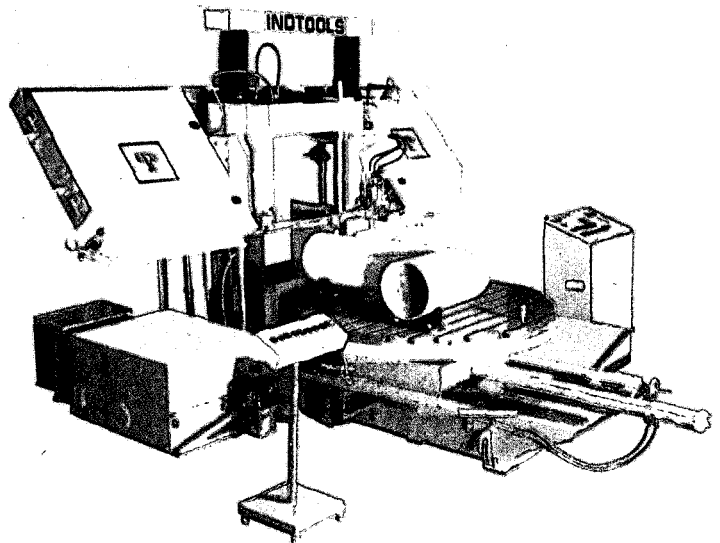
Tube Straightening Machine



IT-Precision Tube Mill (Forming & Sizing)



IT- 300 V3 Vertical Metal Cutting Bandsaw



IT-650 DCTV Pipe Fitting & Cutting

# my word



Dear Shareholders,

Indian economy continues to grow at a faster pace with no sign of letting up, today we are the fourth largest economy in terms of purchasing power parity, the third largest in Asia, the second largest amongst the emerging markets in size, growing at a rate well above 9 percent annually. The government desire, efforts to sustain growth with controlled inflation and continuing reforms gives us adequate confidence of high growth rates in the visible future.

The strong order book position of your company is not truly reflected in the performance of the company in the year under review because of delivery schedules falling beyond the financial year and desired deferment of dispatches by customers in March due to reduction of central sales tax rates.

The strong pending order book along with continuous order inflow gives us confidence that our turnover will grow from 25 cr to approximate 40-45 cr with corresponding increase in profits in the current financial year.

The company maintained its leadership position in metal cutting machines. The recently launched circular saws and tube and pipe mill products proved to be a right decision for your company.

The company has built additional infrastructure and procured necessary machines and equipments to improve quality and maintain delivery schedules of large order book at an investment of 2.90 cr.

The company is further planning to put additional dedicated facilities for international market and is in talks with global companies for exploiting the global opportunities. The company is also planning to put tube mill project for stainless steel tubes considering the vast potential. The total capital expenditure on both is likely to be in approximately 35 cr.

The implementation of SAP has already been commenced and we are hopeful that it will be fully implemented in the current year. The management is hopeful that with its successful implementation the company will be in a position to improve its working on all fronts.

The company has increased its focus on research and development with the object of delivering world class products ahead of time and making it a commercially viable activity too.

To conclude, I wish to place on record my appreciation for the commitment and smart work of all our employees. I am also grateful for the continuing support of our customers, business associates, shareholders, members of the board and advisors to the company. It is the collective effort of the ITL team that instills confidence in us that we will continue to maintain the leadership position with the highest level of customer satisfaction in the times to come as well.

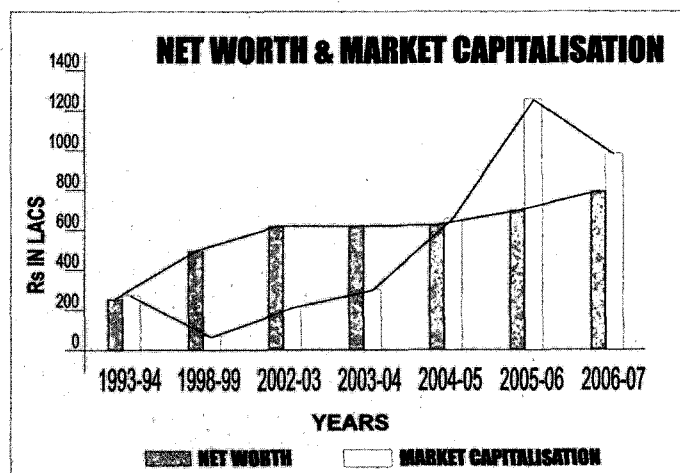
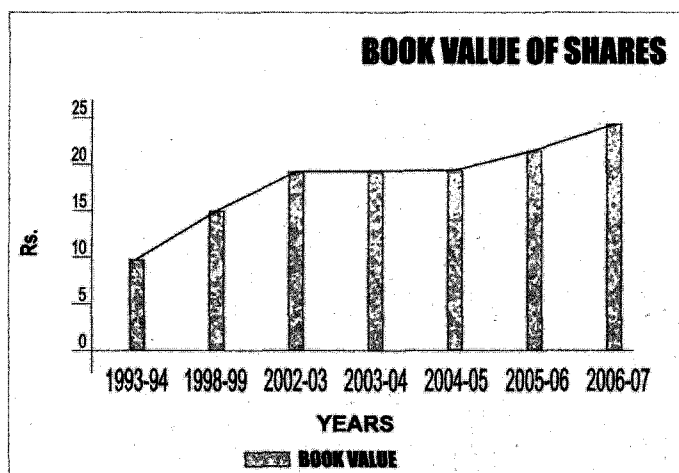
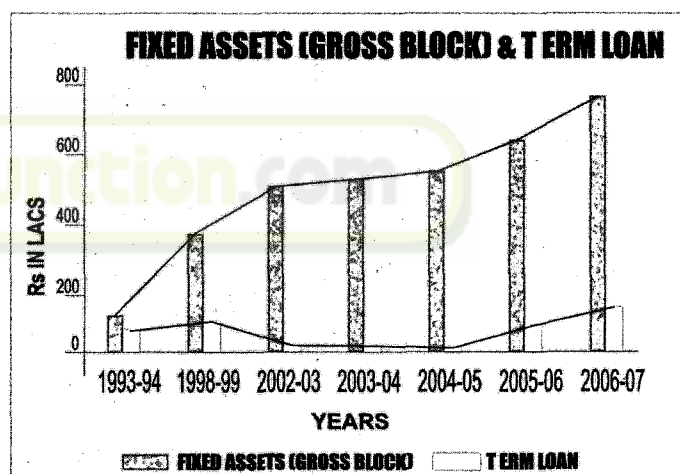
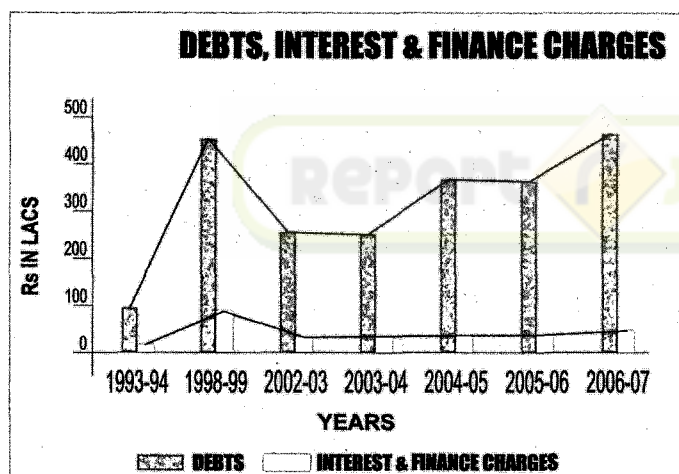
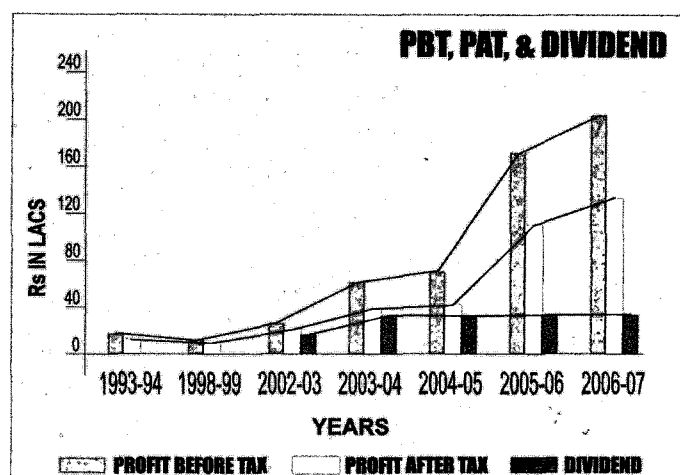
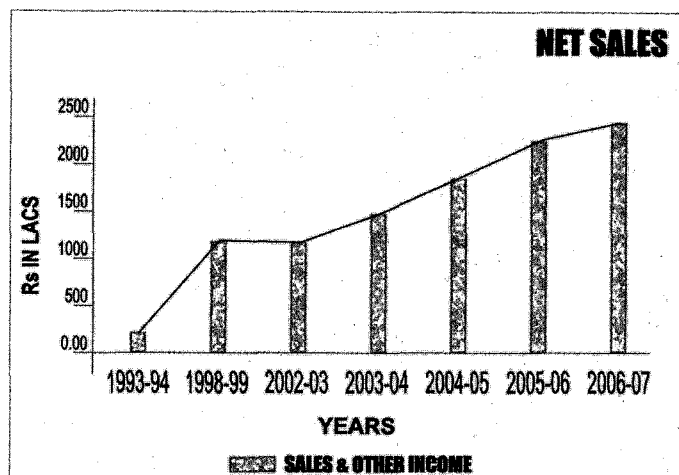
Thanking you,

Rajendra Singh Jain  
Chairman & Managing Director

ITL Industries Ltd.



## FINANCIAL HIGHLIGHTS AT A GLANCE





### **ADDING VALUE:**

ITL is creating stakeholders value as we successfully execute our strategic priorities focused on our value adding Custom Built Cutting Solution, Sawing Machines, Tube and Pipe Manufacturing Machines and Services.

We are offering more and more value to customers through innovative tailor made products, cutting edge technical expertise and though our services. Our strategic initiatives are delivering increased revenues and bottom line performance.

### **CONTENTS :**

02	Company's Information
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05	Director's Report
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09	Report on Corporate Governance
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17	Annual Accounts
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32	Range of Products & Division's Activity
33	Certificate of CRISIL Ratings





**ITL INDUSTRIES LIMITED****DIRECTORS**

Manohar Singh Jain

Rajendra Singh Jain

Mahendra Singh Jain

N.Chakraborty

Dinesh Jain

Dr.S.K.Kapoor

- *Managing Director*  
 - *Whole Time Director*

**AUDITORS**

M/s. Mahaveer M.Jain &amp; 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.S.I. Branch,

Pologround

INDORE (M.P.)

**ADVISORS/CONSULTANTS**

Mahendra Badjatya &amp; Co.

Chartered Accountants

208, Mourya Centre

Race Course Road, INDORE (M.P.)

**DIVISIONS**

Indtools Sales &amp; Services

ITL Saws &amp; Tools

**REGISTRAR & SHARE TRANSFER AGENT**

M/s.Ankit Consultancy Pvt.Ltd.

2nd Floor, Alankar Point

Gita Bhawan Chouraha

INDORE (M.P.)

Phone : 0731-2491298

**ISIN (DMAT) NO.: 478D01014****BSE SCRIP CODE :522183****Website : itlindustries.com**



## NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of ITL INDUSTRIES LIMITED will be held on Saturday the 29th September, 2007 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, 2007 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, 2007 .
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  
INDORE-452015 (M.P.)  
DATED : 25/08/2007

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 THAT 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 Wednesday 26th September, 2007 to Saturday 29th September, 2007 (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 10th Oct., 2007 to those members of their mandates whose names stand registered on the Company's Register of Members :

**ITL INDUSTRIES LIMITED**

- (a) as Beneficial Owners as at the end of business on 25th September, 2007 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 on or before 25th September, 2007. 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, 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 25th September, 2007 failing which they will not be entitled for dividend on the partly paid-up shares.

Regd Office  
111, Sector-B  
Sanwer Road  
INDORE-452015 (M.P.)  
DATED : 25/08/2007

For and On behalf of the Board

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 19th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2007.

### 01. FINANCIAL RESULTS :

	(In Rs.)	
	Financial year ended 31.03.2007	Financial year ended 31.03.2006
a) Sales & Other Income	25,40,01,351	23,53,29,780
b) Profit before interest, Depreciation & Tax	2,82,44,138	2,35,06,562
c) Less : - Interest	46,75,504	37,12,119
- Depreciation	32,96,887	26,70,969
d) Profit before Tax	2,02,71,747	1,71,23,474
e) Less : Provision for Tax Current year	53,00,000	53,00,000
f) Less : Deferred Tax Liabilities/(Assets)	9,94,721	4,80,334
g) Add : Income Tax earlier year	17,647	26,253
h) Less : Provision for Fringe Benefit Tax	8,42,757	4,56,718
i) Profit Tax	1,31,51,916	1,09,12,675
j) Profit brought forward from previous year	2,3,56,121	26,54,274
k) Profit available for appropriations	1,55,08,037	1,35,66,949
l) Transferred to General Reserve	1,00,00,000	75,00,000
m) Proposed Dividend	32,54,399	32,54,399
n) Provision for Dividend Distribution Tax	5,53,085	4,56,429
o) Balance carried to Balance Sheet	17,00,553	2,35,6121

### 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, 2007 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.2353.30 lacs to Rs. 2540.01 lacs & Profit after Tax of the Company for the year under review has also increased from Rs.109.13 lacs to 131.52 lacs.

### 04. FUTURE OUTLOOK :

The domestic demand as compared to the last year has

improved in the current year. The present level of Turnover & Orders for Machine Manufacturing Division & Hydraulics Division has surpassed last years total turnover.

Apart from Bandsaw Machines, the Company has received good orders for production of Tubes & Pipes manufacturing machines alongwith recently launched circular saws in the current year from domestic and international market.

### 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 :

- 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;
- 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;
- 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.



**ITL INDUSTRIES LIMITED****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. 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.

Regd Office

111, Sector-B

Sanwer Road

INDORE-452015(M.P.)

DATED : 25/08/2007

For and On behalf of the Board

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)