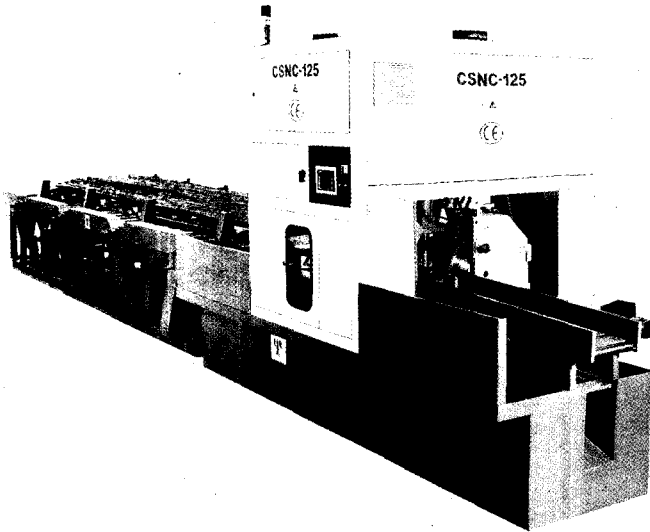


Technology with time.

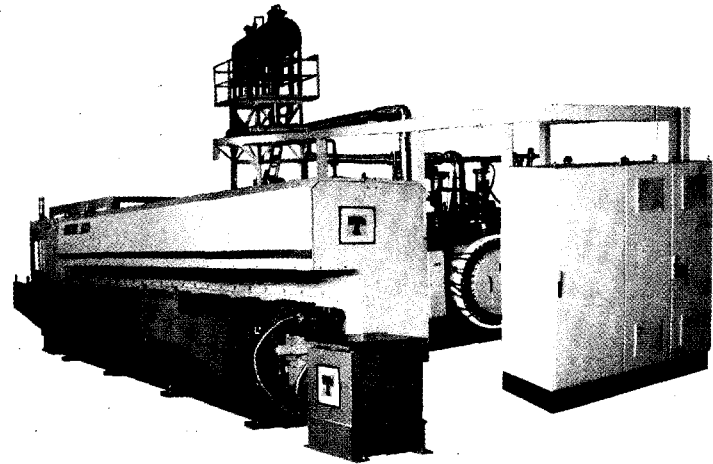


IIL INDUSTRIES LTD.

MAJOR PRODUCTS IN PORTFOLIO



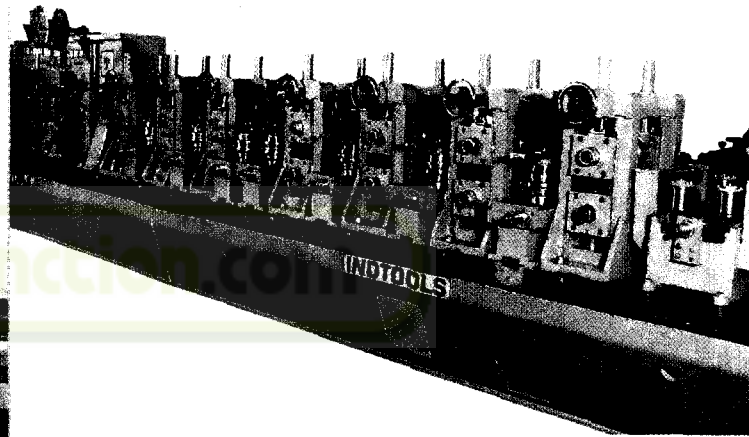
High Speed Circular Sawing Machine



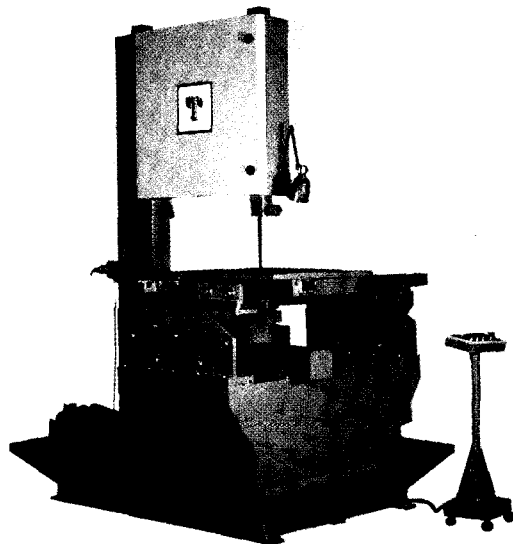
IT-Generator Stator Bar Press for 1000 MW



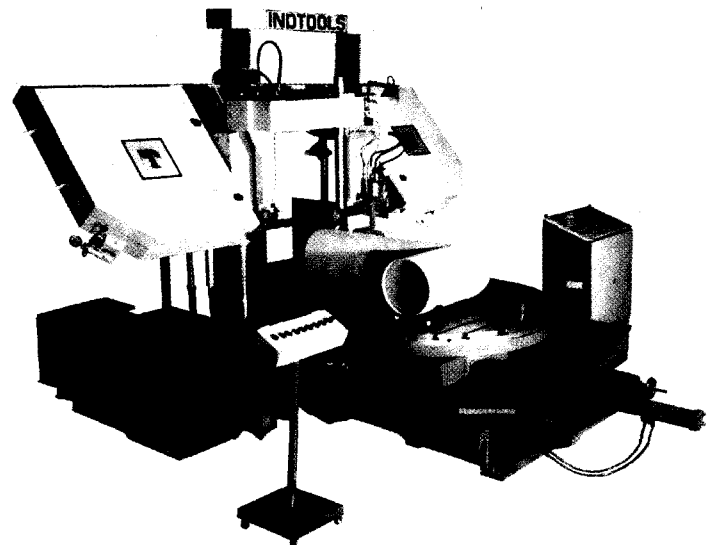
Tube Straightening Machine



IT-Precision Tube Mill (Forming & Sizing)



IT-300 V3 Vertical Metal Cutting Bandsaw



IT-650 DCTV Pipe Fitting & Cutting

my word



Dear Shareholders,

This has been a turbulent year for the world economies. The sub prime crises that erupted in the US and Western Europe impacted the global financial system, resulting in a significant cut-back in investments flows and the availability of funds. The developing world continued to enjoy growth in its demand for goods and services, contributing to the global inflationary trend in oil, coal, steel, edible oil, and other commodities. The cost of food similarly rose in several countries during the latter part of the year leading to unrest and hardships amongst the poorer nations, some governments have lately begun to impose anti-inflationary measures on their over heated economies to curb runaway price increases and growing consumption.

This year, the company could achieve the turnover of Rs. 37 Crores as against Rs. 25 Crores last year with the record profits. The company is quite hopeful of maintaining the growth curve in the current year too although there is a pressure on margin due to higher interest cost and rising inflation but company is confident of maintaining the same with better management of resources.

We have been one of the early adopters of the latest solutions in information technology, and have kept pace with the times in leveraging IT for business applications including SAP and internet enabled systems. The SAP was successfully implemented during the year which after initial problems is functioning very smoothly. The company strongly believes that a strong information system backed by latest technological support will have a significant bearing on the exploration of market opportunities.

As you are well aware that the company developed the tube mill products in the year 2003, I am pleased to inform you that the products have been very well accepted by the market and during the year it has surpassed the band saws in terms of turnover in rupees.

In every sphere of ITL operations, technology continues to be a key enabler. It reinforces our leadership and sustains our competitive strength in the industry.

The company has entered into technical collaboration and buyback arrangement with ATTIL of CZECH Republic. The technical collaboration with the KASTO of Germany has been renewed during the year and they have started procuring variety of machine parts from the company.

The company's present turnover along with the pending orders has already surpassed the last year's total turnover. Here I would like to emphasize that the order book is not only quantitatively but qualitatively too is much better which makes us confident, barring unforeseen circumstances, that the company is likely to end the current financial year with excellent result ever produced.

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

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

Thanking you,

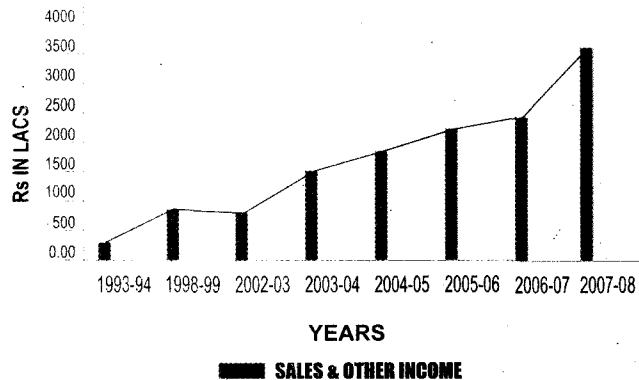
Rajendra Singh Jain
Chairman & Managing Director

ITL Industries Ltd.

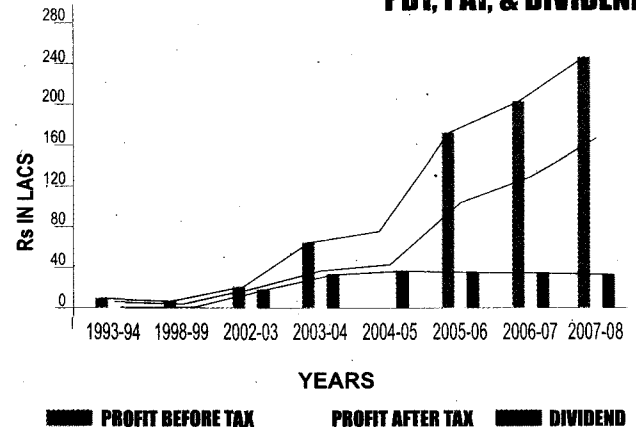


FINANCIAL HIGHLIGHTS AT A GLANCE

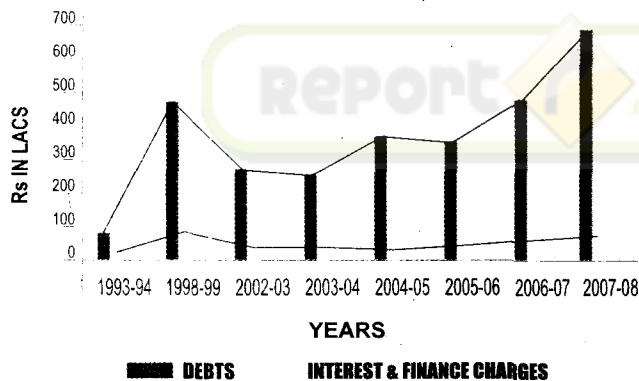
NET SALES



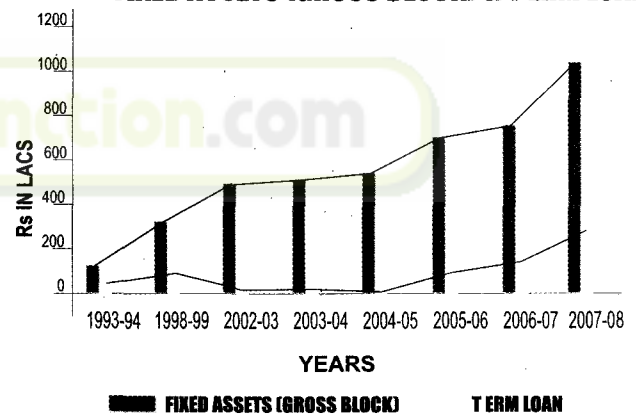
PBT, PAT, & DIVIDEND



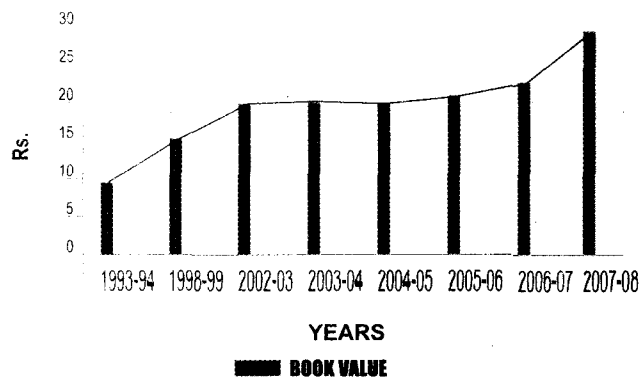
DEBTS, INTEREST & FINANCE CHARGES



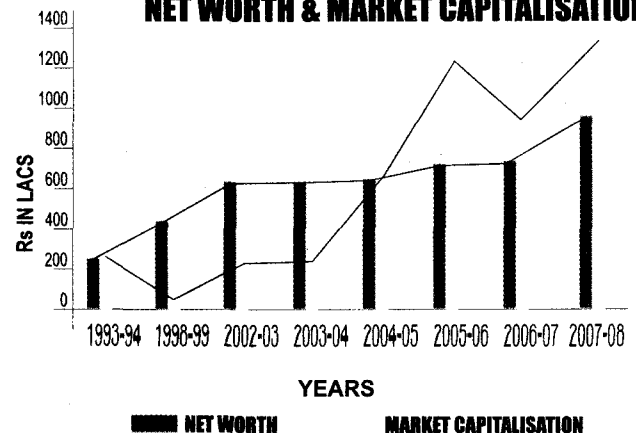
FIXED ASSETS (GROSS BLOCK) & TERM LOAN



BOOK VALUE OF SHARES



NET WORTH & MARKET CAPITALISATION





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 through our services. Our strategic initiatives are delivering increased revenues and bottom line performance.

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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 & 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
 ITL Saws & Tools

REGISTRAR & SHARE TRANSFER AGENT

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

ISIN (DMAT) NO.: 478D01014

Website : itlindustries.com

BSE Scrip Code :522183





NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **ITL INDUSTRIES LIMITED** will be held on Saturday the 27th September, 2008 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, 2008 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, 2008.
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 :

RENEWAL OF APPOINTMENT OF MANAGING DIRECTOR & WHOLE TIME DIRECTORS OF THE COMPANY :

The Chairman informed the Board that the terms tenure of office of Managing Director Shri Rajendra Singh Jain, and the Whole Time Directors Shri Mahendra Singh Jain is going to expire on 31/01/2008. He informed that the aforesaid Directors were appointed on 1/02/1993 and renewal on 1/02/1998 & 01/02/2003 for a period of 5 years. He further stated that the said appointments were made on certain remuneration which were modified from time to time according to schedule XIII of the Companies Act, 1956 & since the terms of appointment of all the above Directors as to remuneration, perquisites etc. are well within the limits prescribed in the schedule XIII of the Act therefore subject to the confirmation of the Company in the ensuing General Meeting the Board can re-appoint these Directors. He then laid before the Board the terms & conditions of each of the above Directors which was discussed & after due discussion on the Board passed following resolution unanimously :-

RESOLUTION

"RESOLVED THAT pursuant to section 198, 269 and 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modification or re-enactment thereof, approval be and is hereby granted to the re-appointment of Shri Rajendra Singh Jain, Managing Director of the Company with effect from 1/02/2008 for a period of 5 (five) years on the terms & conditions and remuneration as provided here under :-

- (1) Salary of Rs.63,500/- per month with an annual increment of Rs.4000/- per month.

- (2) Perquisites :

- a) Perquisites shall be restricted to an amount equal to the annual salary.

Category-A

- i) Housing

- a) The expenses incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.
- b) In case of accommodation 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).

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income - Tax Rules 1962, subject to ceiling of 10% of the salary.

- ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year of 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.

- iv) Children Education Allowance:

Children studying in or outside India an allowance will be paid up to maximum of Rs. 2,000/- per month per child or actual expenses incurred on it, whichever is less upto maximum two child.

- 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 not exceeding Rs. 3000/- per month.

ITL INDUSTRIES LIMITED

Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :
Company's contribution towards Provident Fund / Public Provident Fund @ 12% or as per the Rules of the Company.
- 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.
- c) Company's contribution towards Superannuation fund:
Company's contribution towards Superannuation Fund as per the rules of at the Company but it shall not together with Company's contribution to Provident Fund / Public Provident Fund, exceed 25% of the salary.
The aforesaid perquisites stated in Category-B (a),(b) and (c) 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.
- d) Earned Leave:
On full pay allowance and perquisites as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the aforesaid ceiling on perquisites and or salary.

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.

"RESOLVED FURTHER THAT pursuant to sections 198, 269 and 309 read with schedule XIII and other applicable provisions, if any of the companies act, 1956 including any statutory modification or re-enactment thereof, approval be and is hereby granted to the appointment of Shri Mahendra Singh Jain, a Whole Time Director of the Company with effect from 1/02/2008 for a period of 5 (five) years on the terms and conditions and remuneration as provided here under :-

- (1) Salary of Rs.53,500/- per month with an annual increment of Rs.3000/- per month.
- (2) Perquisites :
 - a) Perquisites shall be restricted to an amount equal to the annual salary.

Category-A

- i) Housing
 - a) The expenses incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.
 - b) In case of accommodation 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).

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income - Tax Rules 1962, subject to ceiling of 10% of the salary.

- ii) Medical Reimbursement:
Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year of 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.

- iv) Children Education Allowance:
Children studying in or outside India an allowance will be paid up to maximum of Rs. 2,000/- per month per child or actual expenses incurred on it, whichever is less upto maximum two child.
- 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 not exceeding Rs. 2000/- per month.

Category - B

- a) Company's contribution towards Provident Fund / Public Provident Fund :
Company's contribution towards Provident Fund / Public Provident Fund @ 12% or as per the Rules of the Company.
- 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.
- c) Company's contribution towards Superannuation fund:
Company's contribution towards Superannuation Fund as per the rules of at the Company but it shall not together with Company's



contribution to Provident Fund / Public Provident Fund, exceed 25% of the salary.

The aforesaid perquisites stated in Category-B (a),(b) and (c) 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.

d) **Earned Leave:**

On full pay allowance and perquisites as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the aforesaid ceiling on perquisites and or salary.

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.

"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 the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to mortgage and/or charge, in addition to the mortgage/charges created or to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any moveable and/or immoveable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lenders(s), Agent(s) and Trustee(s), for securing the borrowing availed/to be availed by the Company, by way of loan(s) (in foreign currency and /or rupee currency), upto Rs. 100 crores, together with interest at the respective agreed rates, additional interest, liquidated damages, commitment charges, premia on prepayment, all the rates of exchange and all monies payable by the Company in terms of the Loan Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board and/or its duly constituted Committee be and are hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

"RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for the purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 and the Articles of Association of the Company, to borrow any sums of money (including non und based facilities) from time to time at their discretion, for the purpose of the business of the company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 100 crores (Rupees One Hundred Crores Only) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

SPECIAL RESOLUTION :

9. To consider, and if thought fit, to pass following resolution as a Special resolution :-

"RESOLVED AS A SPECIAL RESOLUTION THAT subject to the compliance of SEBI guidelines for delisting of securities of any Stock Exchange and other necessary approvals and formalities, authority be and is hereby given to the Board of Directors of the Company to consider and if thought fit to take steps for delisting of Company's equity shares from Madhya Pradesh Stock Exchange Limited".

Regd Office
111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 25/08/2008

For and On behalf of the Board

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)

ITL INDUSTRIES LIMITED**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 Wednesday 24th September, 2008 to Saturday 27th September, 2008 (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 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.
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., 2008 to those members of 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, 2008 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 23rd September, 2008. 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.