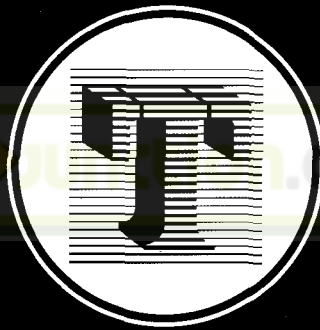


ANNUAL REPORT  
2008-09

# 25 Glorious Years of Performance and Reliability



Technology with time.

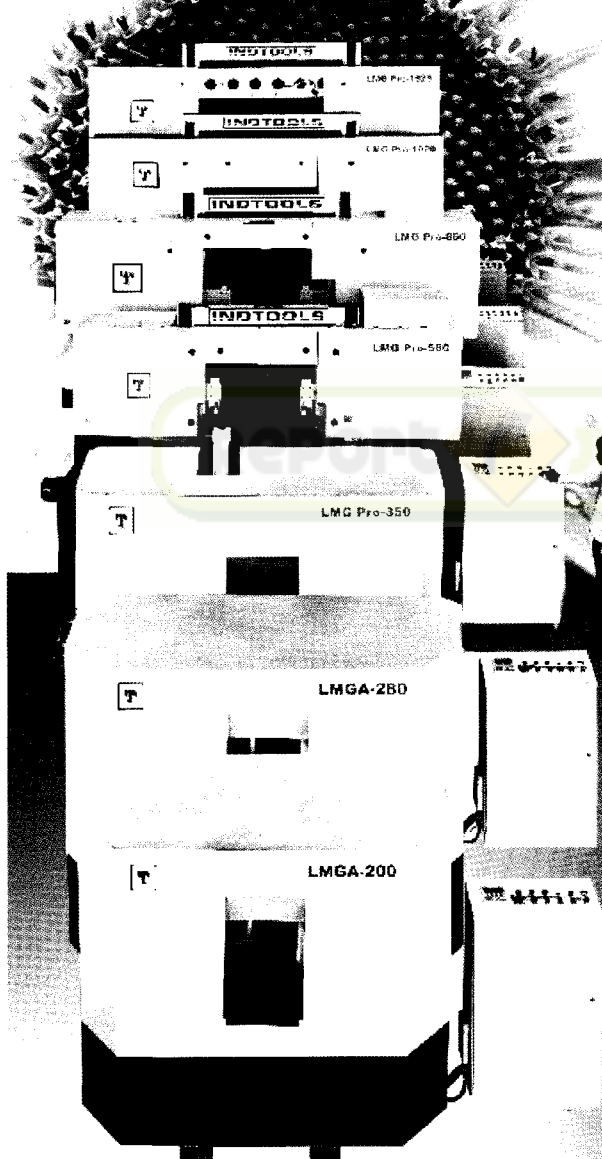


**TI INDUSTRIES LTD.**

[www.reportjunction.com](http://www.reportjunction.com)

Trend Setting & Meeting Customers Aspiration

*25 Glorious Years of  
Performance and Reliability*



*ITL- Introducing  
most advanced  
"LMG" Bandsaw for the  
first time in India*

**Special Features:**

- Anti friction LMG guides (Linear Motion Bearings)
- Electronic Automatic feed regulation mechanism
- Floating shuttle vice
- Wider shuttle vice
- High pressure coolant jets
- Blade size & cost much lower

**INDTOOLS High Production  
Metal Cutting Machine**

ITL-Pioncer & Trendsetter for last 25 years in metal cutting in India, has Designed & Developed-State of the Art features to make metal cutting faster at reduced per cut cost.

ITL has led the way in introducing highly advanced "LMG Bandsaw Series", (200, 280, 350, 450, 560, 660, 860, 1020, 1260, 1550, 2050mm Solid Bar Cutting capacities) while achieving high accuracy in metal cutting.

We value environment and qyaloty of life & social well-being of ITL family members.

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Dear Shareholders,

This has been an extraordinary turbulent year for the global economy. The financial meltdown which originated in the housing and financial markets in the USA gradually spread across the world developed as well as developing economies. This was probably the worst economic crises faced by the world since 1930.

Though India was comparatively less affected, we too experienced a relative slowdown of business activities. The effect of the meltdown was also seen in the first quarter of the current fiscal year 2009 -10. The various governments across nations came up with stimulus packages to bail out their financial systems. The Indian government and the RBI too cushioned the impact and created a platform for sustained growth and took various timely fiscal and monetary initiatives to contain the slowdown. Thankfully a number of Indian as well as international economies now believe that the worst is behind us and there are signs of global recovery all over the world. It is expected that the remaining part of the year would see an improvement in the global demand and growth patterns.

Due to sudden panic and confusion over the future scenario world over, even after the healthy order book the company's turnover fell to Rs 34 crores from Rs. 37 crores because of the slower lifting of the machines by the customers. The profits were too impacted because of initially the higher raw material prices and lately because of higher interest costs.

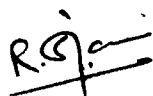
Implementation of the SAP- ERP and the efforts made by the management to improve the productivity and efficiency could not be reflected in the financial performance of the company because of the turbulence in the economy.

The order received by the company from the steel authority of India worth Rs. 55 crores during the year confirms not only the technical capabilities of the company but also the ability to deliver the large sized orders in time. The pending order book of Rs. 64 crores gives us the confidence that the company will achieve once again the record turnover and profits in the current financial year.

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 associate, 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 & Managing Director



**ITL INDUSTRIES LIMITED****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.

**CONTENTS**

03	Company's Information
04	Notice of A.G.M.
07	Director's Report
10	Management's Discussion & Analysis
11	Report on Corporate Governance
17	Auditor's Report
19	Annual Accounts
29	Company's General Business Profile
30	Cash Flow Statement
31	Proxy Form

**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 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.  
 2<sup>nd</sup> Floor, Alankar Point  
 Gita Bhawan Chouraha  
 INDORE (M.P.)  
 Phone No. : 0731-2491298

ISIN (DMAT) NO.: 478D01014  
 Website : [itlindustries.com](http://itlindustries.com)

BSE Scrip Code :522183  
 NSIC - CRISIL RATING :- **SE1B**



**ITL INDUSTRIES LIMITED****NOTICE**

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of **ITL INDUSTRIES LIMITED** will be held on Thursday the 24<sup>th</sup> September, 2009 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, 2009 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, 2009.
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.

**SPECIAL BUSINESS****ORDINARY RESOLUTION**

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

"RESOLVED that in partial modification of the resolution passed in earlier Annual General Meeting pursuant to section 198, 268, 269, 309, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other necessary approvals, the remuneration of Shri Rajendra Singh Jain the Managing Director of the Company be and is hereby increased from Rs. 63,500/- per month to Rs.80,000/- per month with effect from 1st April, 2009 with an annual increment of Rs.5000/- per month.

RESOLVED FURTHER THAT the above remuneration shall be applicable for the balance term of his appointment. All other terms and conditions of the appointment including perquisites shall remain unchanged.

"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 in partial modification of the resolution passed in earlier Annual General Meeting pursuant to section 198, 268, 269, 309, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other necessary approvals, the remuneration of Shri Mahendra Singh Jain the Whole Time Director of the Company be and is hereby increased from Rs. 53,500/- per month to Rs.70,000/- per month with effect from 1st April, 2009 with an annual increment of Rs.5000/- per month.

RESOLVED FURTHER THAT the above remuneration shall be applicable for the Balance term of his appointment. All other terms and conditions of the appointment including perquisites shall remain unchanged.

"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".

**For and On behalf of the Board**

111, Sector-B  
Sanwer Road  
INDORE-452015 (M.P.)  
DATED : 25/08/2009

**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 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 Monday 21st September, 2009 to Thursday 24th September, 2009 (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 5th Oct., 2009 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 19th September, 2009 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 19th September, 2009. 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.

**ITL INDUSTRIES LIMITED**

- (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 19th September, 2009 failing which they will not be entitled for dividend on the partly paid-up shares.

**EXPLANATORY STATEMENT****ITEM NO.6**

In earlier Annual General Meeting of the Company the members had approved the appointments and remunerations of Shri Rajendra Singh Jain, Managing Director of the Company, keeping in view the overall increase in the remuneration of Managerial persons all over the Country, your Board of Directors thinks it expedient to revise suitably the existing remuneration of Shri Rajendra Singh Jain as approved by the remuneration committee. The other terms and conditions mentioned in his original appointment subject to further modification, if any, shall remain unchanged. The details of the revision in the remuneration of Shri Rajendra Singh Jain are set out in the body of the resolution. You are requested to consider the revised remuneration of Shri Rajendra Singh Jain.

The above may be treated as an abstracts of the terms of appointment of all the Director pursuant to Section 302 of the Companies Act, 1956. Shri Rajendra Singh Jain is interested in the aforesaid resolution to the extent of the revised remuneration payable to him. None of the other Directors of the Company are in any way concerned or interested in the aforesaid resolution.

**ITEM NO.7**

In earlier Annual General Meeting of the Company the members had approved the appointments and remunerations of Shri Mahendra Singh Jain, Whole Time Director of the Company, keeping in view the overall increase in the remuneration of Managerial persons all over the Country, your Board of Directors thinks it expedient to revise suitably the existing remuneration of Shri Mahendra Singh Jain as approved by the remuneration committee. The other terms and conditions mentioned in his original appointment subject to further modification, if any, shall remain unchanged. The details of the revision in the remuneration of Shri Mahendra Singh Jain are set out in the body of the resolution. You are requested to consider the revised remuneration of Shri Mahendra Singh Jain.

The above may be treated as an abstracts of the terms of appointment of all the Director pursuant to Section 302 of the Companies Act, 1956. Shri Mahendra Singh Jain is interested in the aforesaid resolution to the extent of the revised remuneration payable to him. None of the other Directors of the Company are in any way concerned or interested in the aforesaid resolution.

**Regd Office**  
111, Sector-B  
Sanwer Road  
INDORE-452015 (M.P.)  
DATED : 25/08/2009

**For and On behalf of the Board**

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)





## DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 21st Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2009.

### 01. FINANCIAL RESULTS :

		Financial year ended 31.03.2009	Financial year ended 31.03.2008
a)	Sales & Other Income	34,61,84,892	37,62,78,960
b)	Profit before interest, Depreciation & Tax	3,56,83,639	3,58,17,468
c)	Less : - Interest	1,06,97,974	65,77,057
	- Depreciation	59,17,647	45,74,214
d)	Profit before Tax	1,90,68,018	2,46,66,197
e)	Less : Provision for Tax Current year	35,00,000	54,00,000
f)	Less : Deferred Tax Liabilities	27,54,175	19,22,000
g)	Less : Income Tax earlier year	4,77,015	--
h)	Less : Provision for Fringe Benefit Tax	4,92,522	5,92,291
i)	Profit after Tax	1,18,44,306	1,67,51,906
j)	Profit brought forward from previous year	22,04,874	17,00,553
k)	Profit available for appropriations	1,40,49,181	1,84,52,458
l)	Transferred to General Reserve	1,00,00,000	1,25,00,000
m)	Proposed Dividend	32,03,200	32,03,200
n)	Provision for Dividend Distribution Tax	5,44,384	5,44,384
o)	Balance carried to Balance Sheet	3,01,597	22,04,874

### 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, 2009 subject to approval of the members in the ensuing Annual General Meeting.

### 03. OPERATIONS :

Due to recession in the market, during the year under review the sales & other Income of Company decreased from Rs. 3762.79 lacs to Rs. 3461.85lacs & profit after Tax of the Company for the year under review has also decreased from Rs. 167.52 lacs to Rs. 154.12 lacs.

### 04. FUTURE OUTLOOK :

The domestic demand as compared to the last year has improved in the current year. The present level of Turnover and Orders in hand for Manufacturing Division & Hydraulics Division has surpassed last years total turnover.

### 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;

**ITL INDUSTRIES LIMITED**

- 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 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.

**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 : 25/08/2009

**For and On behalf of the Board**

**RAJENDRA SINGH JAIN**  
(MANAGING DIRECTOR)