

ITL Industries Ltd.

ANNUAL REPORT 2012 - 2013

205 LMGA



560 LMGTV



MY WORDS

Dear Shareholders,

The year ended march 2013 was a challenging year for your company. The general slow down, particularly in auto and steel sector from which ITL earns major share of revenue, impacted our sales during the year.

Despite the continuing, lackluster economic condition, it is widely acknowledged that the country's long term economic growth is assured. It is our belief that with the signs of improvement in developed economies, the prevailing sluggish trend in the Indian economy will be soon over.


The company recorded a turnover ` 48.32 crores in 2012-13 as against ` 49.83 crores in 2011-12. The slowdown in capital goods demand is likely to affect the turnover of your company in the current year. Apart from Designing and manufacturing activities, company's trading divisions are expected to perform well.

New developments as well as modifications in existing models are necessary to offer value for money to our esteemed customers. New CSNC 80 Carbide Circular sawing Machines have been further developed during the year. The web portal for Industrial Supply Division "www.esupplyworld.com", wherein about 120,000 products required by the Engineering Industries will be traded online through a Dynamic Web Portal, is opened for our existing customers and the trial commercial activities are going on.

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 associates, 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 up the company to the present level.

Thanking You,



Rajendra Singh Jain
Chairman



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**DIRECTORS**

Manohar Singh Jain	
Rajendra Singh Jain	- Managing Director
Mahendra Singh Jain	- Joint Managing Director
Vishwanathan Iyer	- Executive 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 India
SME Khel Prashal Branch,
Race Course Road,
INDORE (M.P.)

Bank of Baroda

Siyaganj Branch,
INDORE (M.P.)

ADVISORS/CONSULTANTS

Mahendra Badjatya & Co.
Chartered Accountants
208, Mourya Centre
Race Course Road, INDORE (M.P.)

DIVISIONS

Indtools Sales & Services
Indore Saws & Tools
eSupply World
H & S Innovations

REGISTRAR & SHARE TRANSFER AGENT

M/s.Ankit Consultancy Pvt.Ltd.
Plot No.60, Electronic Complex
Pardeshipura
INDORE (M.P.) - 452010
Phone No. : 0731-2551745, 2551746

ISIN (DMAT) NO.: 478D01014	BSE Scrip Code : 522183
Website : www.itl.co.in	NSIC – Crisil Rating :- SE2A



NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of ITL INDUSTRIES LIMITED will be held on Monday the 30th September, 2013 at 11.30 A.M. at the Registered Office of the Company, 111, Sector-B, Sanwer Road, Industrial Area, Indore (M.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the Financial year ended on that date along with the Report of Directors and Auditors thereon.
 2. To declare dividend on Equity Shares for the year ended 31st March, 2013.
 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.
- 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

SPECIAL RESOLUTION

6. To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Special Resolution :-

REAPPOINTMENT OF SHRI RAJENDRA SINGH JAIN, MANAGING DIRECTOR OF THE COMPANY :

"**RESOLVED THAT** pursuant to the provisions of 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 1/02/2013 for a period of 3 (three) years on the terms & conditions and remuneration as provided here under :-

- (1) Salary band of ` 1,50,000/- to ` 2,50,000/- 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) Club Fees:
Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.
- v) Personal Accident Insurance :
Personal Accident Insurance of an amount, the annual premium not exceeding ` 3000/- 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.

SPECIAL BUSINESS**SPECIAL RESOLUTION**

7. To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Sopecial Resolution :-

REAPPOINTMENT OF SHRI MAHENDRA SINGH JAIN, JOINT MANAGING DIRECTOR OF THE COMPANY :

"RESOLVED THAT pursuant to the provisions of 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 Mahendra Singh Jain, Joint Managing Director of the Company with effect from 1/02/2013 for a period of 3 (three) years on the terms & conditions and remuneration as provided here under :-

(1) Salary band of ` 1,35,000/- to ` 2,50,000/- 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) Club Fees:

Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.

v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium not exceeding ` 3000/- 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

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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.

Regd Office
111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 30/05/2013

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 THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
02. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 26th September, 2013 to Monday, the 30th September, 2013 (Both days inclusive).
03. (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.
04. The Shareholders 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., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.).
05. 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.
06. 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., 2012 to those members or their mandates whose names stand registered on the Company's Register of Members :
 (a) as Beneficial Owners as at the end of business on 25th September, 2013 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 before 26th September, 2013. 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 Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.) well before the Book Closure Date as stated above.
07. 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 the 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, to avail benefit from the service.
08. (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 to kindly inform 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.
09. **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.

EXPLANATORY STATEMENT

ITEM NO.6

The term of office of Shri Rajendra Singh Jain, Managing Director of the Company has expired. The Board of Director of the Company has re-appointed the aforesaid Director for a further period of 3 years w.e.f. 01/02/2013. The revised remuneration package of the above Director as approved by the remuneration committee are contained in the body of respective resolutions. The re-appointment of the above Director shall be in the interest of the Company. Your Board of Director therefore recommend the resolution set out at item No.6 of the notice for your approval.

The above may also be treated as an abstract of the terms of the contract / agreement between the Company and above Director respectively pursuant to section 302 of the Companies Act, 1956.

Besides the individual interest of the above Director to the extent of remuneration payable to him, Shri Manohar Singh Jain the Director of the Company is also interested in the concerned resolution of Shri Rajendra Singh Jain being relative of each other.

Save and except as above, none of the Directors of the Company is in any way, concerned or interested in the said resolution.

ITEM NO.7

The term of office of Shri Mahendra Singh Jain, Joint Managing Director of the Company has expired. The Board of Director of the Company has re-appointed the aforesaid Director for a further period of 3 years w.e.f. 01/02/2013. The revised remuneration package of the above Director as approved by the remuneration committee are contained in the body of respective resolutions. The re-appointment of the above Director shall be in the interest of the Company. Your Board of Director therefore recommend the resolution set out at item No.7 of the notice for your approval.

The above may also be treated as an abstract of the terms of the contract / agreement between the Company and above Director respectively pursuant to section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Shri Mahendra Singh Jain, is in any way concerned or interested in the said resolution.

Regd Office
111, Sector-B
Sanwer Road, Industrial Area
INDORE-452015 (M.P.)
DATED : 30/05/2013

For and On behalf of the Board

RAJENDRA SINGH JAIN
(MANAGING DIRECTOR)



**DETAILS OF THE DIRECTORS SEEKING
RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Dinesh Jain	Dr. S. K. Kapoor
Category	Independent Director Non-Executive	Independent Director Non-Executive
Inter relationship	Not related	Not related
Date of Birth	25th May, 1959	12th October, 1931
Date of Appointment	19th August, 1994	30th December, 2005
Qualification	M.Com, L.L.B.	B.Com, L.L.B.
Expertise in specific Functional areas	Independent Director of the Company and wide experience in business.	Independent Director of the Company and retired Labour Commissioner.
List of other Public Companies in which Directorships held	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' /Investors' Grievance Committee)	1. Audit Committee - Chairman 2. Shareholders' /Investors' Grievance Committee - Member	1. Audit Committee - Member 2. Shareholders' /Investors' Grievance Committee - Member
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee)	NIL	NIL
Shareholdings in the Company	58000	NIL
Name of Director	Shri Rajendra Singh Jain	Shri Mahendra Singh Jain
Category	Executive Director	Executive Director
Inter relationship	Son of Shri Manohar Singh Jain	Cousin Brother of Mr. Rajendra Singh Jain
Date of Birth	20th April, 1954	19th October 1957
Date of Appointment	1st February, 1993	1st February, 1993
Qualification	B.E. (Mech.), Hon. Ph.D.	M.Com, PGDBM
Expertise in specific Functional areas	Mr. Rajendra Singh Jain is B.E. (Mech.), Hon. Ph.D., and is having 32 years of rich experience in the Engineering Industry. He has thorough practical knowledge in this Industry and his contribution in the development of this sector especially in the segment of indigeneneous manufacture of Metal Cutting Machines viz. Bandsaw, Circular Saw Machines is significant. ITL Industries is growing at a good pace under is rich experience and able leadership. Mr. Jain is very innovative and is always keen to adopt latest technologies and has contributed a lot in the growth of the Company.	Mr. Mahendra Singh Jain is a post graduate in Commerce and has done PGDBM. He is ex-banker also and has rich experience of about 29 years in this Industry. He has thorough knowledge in the field of Finance and administration.
List of other Public Companies in which Directorships held	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company (includes only Audit Committee and Shareholders' /Investors' Grievance Committee)	NIL	NIL
Chairman / Member of Committees of other Public Companies (includes only Audit Committee and Shareholders' /Investors' Grievance Committee)	NIL	NIL
Shareholdings in the Company	373400	238600



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 25th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2013.

01. FINANCIAL RESULTS :

(Amount in `)

		Financial year ended 31.03.2013	Financial year ended 31.03.2012
a)	Sales & Other Income	483226083	498383137
b)	Profit before interest, Depreciation & Tax	55242781	57567582
c)	Less : - Interest and Finance Charges	20922561	14781868
	- Depreciation	9617905	8574334
d)	Profit before Tax	24702316	34211380
e)	Less : Provision for Tax Current year	8200000	11500000
f)	Less : Deferred Tax Liabilities / (Assets)	-115000	1539534
g)	Less : Income Tax earlier year	-539783	728145
h)	Profit after Tax	17157099	20443701
i)	Profit brought forward from previous year	3774215	2053353
j)	Profit available for appropriations	20931314	22497054
k)	Transferred to General Reserve	15000000	15000000
l)	Proposed Dividend	1601600	3203200
m)	Provision for Dividend Distribution Tax	272192	519639
n)	Balance carried to Balance Sheet	4057522	3774215

02. DIVIDEND :

Your Directors are pleased to recommend Dividend at the rate of ` 0.50 Per share (previous year ` 1/- per share) for the year ended 31st March, 2013 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 decreased from ` 4983.83 lacs to ` 4832.26 lacs slightly due to overall recession in the market & due to above, profit after Tax of the Company for the year under review has also decreased slightly from ` 204.44 lacs to 171.57 lacs.

04. FUTURE OUTLOOK :

The growth outlook for the Indian economy in the near term remains positive on account of inter-alia, the following factors: (a) expectations that the industrial sector would remain buoyant; (b) increase in corporate sales and profitability; (c) pick-up in order books and capacity utilization as per different survey results; (d) turnaround in exports with improving global conditions; (e) pick-up in lead services indicators for transportation, telecommunication and construction and; (f) revival in credit demand from the private sector.

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 along with proper explanation relating to material departures;
- 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;