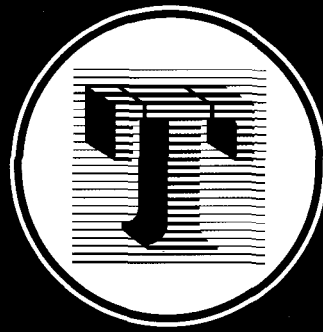
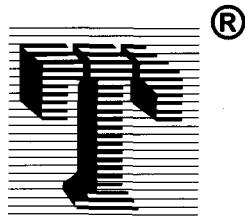


ANNUAL REPORT
2008-09

Performance and Reliability 25 Glorious Years of



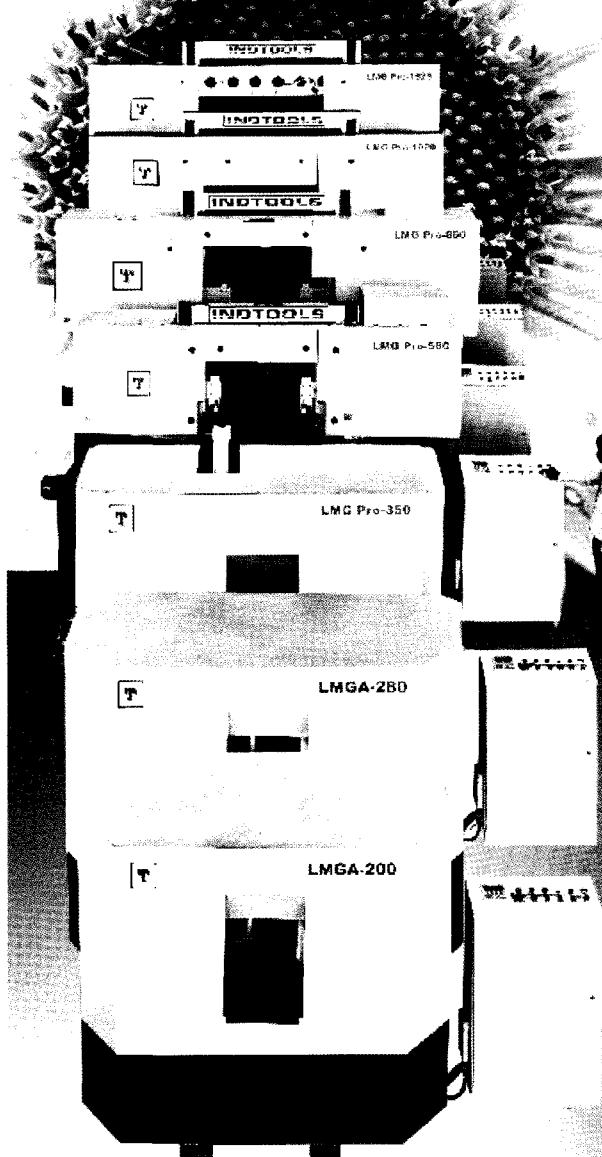
Technology with time.



TIL INDUSTRIES LTD.

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 quality 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.

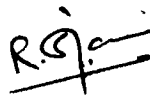
Implementation of the SAP- ERP and the efforts made by the management to improve the productivity and efficiency could not be reflected in the financial performance of the company because of the turbulence in the economy.

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

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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07	Director's Report
10	Management's Discussion & Analysis
11	Report on Corporate Governance
17	Auditor's Report
19	Annual Accounts
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**DIRECTORS**

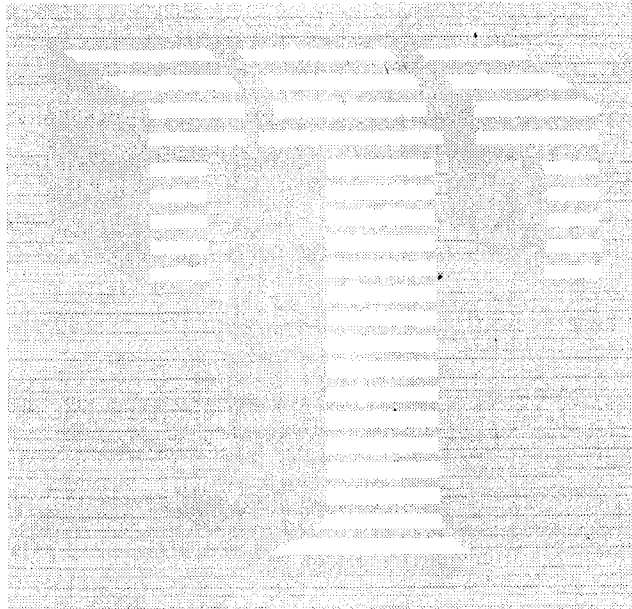
Manohar Singh Jain
 Rajendra Singh Jain - Managing Director
 Mahendra Singh Jain - Whole Time Director
 N.Chakraborty
 Dinesh Jain
 Dr.S.K.Kapoor

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.
 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
NSIC - CRISIL RATING :- SE1B

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of **ITL INDUSTRIES LIMITED** will be held on Thursday the 24th 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 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 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.

- (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;

- 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)

ANNEXURE TO THE DIRECTORS' REPORT

I. Information as per Section 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

A. RESEARCH & DEVELOPMENT :

- | | |
|--|--|
| <p>1. Specific areas in which R & D carried out by the Company.</p> <p>2. Benefits derived as a result.</p> <p>3. Future plan on R & D</p> <p>4. Expenditure on R & D</p> <p style="padding-left: 20px;">a) Capital</p> <p style="padding-left: 20px;">b) Recurring</p> <p style="text-align: right; padding-right: 20px;">Total :</p> <p>Total R & D expenditures as a Percentage of total turnover</p> | <p>The Research & Development activities resulted in the development of new range of products of the Company during the previous year.</p> <p>Better Market coverage & New Market Development, cost reduction saving of Foreign Exchange on account of further indigenization.</p> <p>To develop special purpose Machines / Plants.</p> <p>(In Rs.)</p> <p style="text-align: center;">--</p> <p style="text-align: center;"><u>Rs. 1055439/-</u></p> <p style="text-align: center;"><u>Rs. 1055439/-</u></p> <p style="text-align: center;">0.30%</p> |
|--|--|

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- | | |
|--|---|
| <p>1. Efforts in brief made towards technology absorption</p> <p>2. Benefits derived as a result of the efforts, e.g. product improvement, Cost reduction product development, import substitution etc.</p> <p>3. a. Technology imported</p> <p style="padding-left: 20px;">b. Year of Import</p> <p style="padding-left: 20px;">c. Has technology been fully absorbed</p> <p style="padding-left: 20px;">d. If no fully absorbed areas where this has not taken place reasons thereof and future plans of action.</p> | <p>Technology developed by R & D Department is fully absorbed for manufacturing of special purpose Machine.</p> <p>Import substitution in the areas of special purpose machinery resulting in cost reduction and conservation of Foreign Exchange.</p> <p style="text-align: center;">NIL</p> <p style="text-align: center;">Not Applicable</p> <p style="text-align: center;">--</p> <p style="text-align: center;">Not Applicable</p> |
|--|---|

C. CONSERVATION OF ENERGY :

- | | |
|--|---|
| <p>a. Energy Conservation Measures taken</p> <p>b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy.</p> <p>c. Impact of the measures (a) and (b) above for reduction of energy consumption consequent impact on the cost of production of goods.</p> <p>d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the schedule thereto.</p> | <p>The Company has no major scope for conservation of energy.</p> <p style="text-align: center;">NIL</p> <p style="text-align: center;">NIL</p> <p style="text-align: center;">Not Applicable</p> |
|--|---|

D. FOREIGN EXCHANGE EARNING AND OUT GO :

The information of Foreign Exchange Earnings and out go is given in item No. 6 & 7 in Notes to Accounts.

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)

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION:

The objective of this discussion is to share the Management's view on the various developments in the business environment, challenges and opportunities, as well as to provide an analysis of the Company's performance. This discussion also summarizes the Company's internal control measures and significant development in Human Resources. This discussion should be read in conjunction with the Letter to Shareholders, Director's Report, Financial Statements and Notes to Financial Statements included in this Annual Report.

i) INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Industry structure has remained the same in the domestic market. In some new products for Tube & Pipe Manufacturing Company, High Speed Circular Sawing Machines, ITL has captured a reasonable market size. More and more technological advancement and updation of latest technology creates an opportunity to penetrate into new products line & global market in near future

ii) OPPORTUNITIES AND THREATS :

There is significant change in the outlook compared to last year. The Company continues to enhance opportunities for growth by focusing on introduction of new products and putting high emphasis on after sales & services of the products along with up gradation of technology.

The Company faces the normal threats, risks and concerns which are associated with competition from local and overseas manufacturers.

iii) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :**a) MANUFACTURING DIVISION :-**

Manufacturing Division has achieved Sales / Income of Rs. 2823.72 lacs in the year 2008-09 as against Rs. 3337.72 lacs in the year 2007-08, this is due to overall recession in the market. But, the Company has booked bulk order's of Pipes and Tubes manufacturing machines and sales of the same will reflect in the current financial year.

b) TRADING DIVISION :-

Trading Division of Hydraulics has achieved Sales / Income of Rs. 638.12 lacs in the year 2008-09 as against Rs. 425.07 lacs in the year 2007-08 During the current financial year the above division is also receiving good orders from the customers.

iv) OUTLOOK:

In current year the Company is confident of growing much faster in comparison to economy & capital goods industry looking to the present level of Orders and Enquires for Manufacturing Division i.e. Bandsaw and Tube & Pipe Manufacturing equipment are showing good sing for recovery, and total sales and present order's in hand of the Company surpass the sales turnover of the previous year.

v) RISKS AND CONCERNS:

The Company is falling under the capital goods industry, the growth of the which is determined by overall growth of the Industry.

An overall concern is pertaining to the pressure on the profitability. However, ITL has taken all measures to reduce the Direct and Indirect cost. During the current year, the Tube and Pipe Manufacturing Division is showing excellent growth in orders and inquiry due the overall growth of Industry. The

advancement of technology and strategic positioning of products is expected to give better results.

vi) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has well established internal control systems and to further strengthen the systems, it has appointed an external firm of Chartered Accountants to carry out Internal Audit and to review the internal control measures.

vii) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review the Company has achieved Turnover of Rs. 3393.71 lacs as against the previous year of Rs. 3696.12 lacs, which is slightly lower due to recession in the overall market, and the net profit after tax is also decreased from Rs. 167.52 lacs to Rs. 118.44 lacs in the year under review.

viii) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

ITL Industries continues to consolidate the belief that employees are our key resource. We continue to maintain a relatively young age factor amongst our employees and we are happy to report that they have taken full advantage of the opportunities that have been created for them. It continues to encourage innovative thinking as well as invest in internal training programs and initiatives for employees. We are proud to say that we are well on our way to establishing a work culture and environment in which every employee feels stimulated and motivated to contribute and perform.

We are proud to report that we have that we continue to maintain cordial Industrial Relations, and our employees actively participate in any initiative aimed at improving productivity, co-operation and understanding. This is indeed a proud achievement and we intend to continue to maintain this enviable track record.

ix) DISCLAIMER STATEMENT:

Report on Management Discussion and Analysis deals with the Company's objectives, estimates, expectations and forecasting which may be forward looking within the meaning of applicable Security Laws and/or Regulations.

The aforesaid statements are based on certain premises and expectations of future events as such the actual results may however defer materially from those expressed or implied. The Government Regulation, Tax structure, demand-supply conditions, cost of raw material & their availability, finished goods prices and economic development within India and the countries with which the Company has business relationship will have an important bearing on the statements in the above Report.

The foregoing discussions and analysis only set out the management perception of the Company's environments, in the coming months, which, by their very nature are uncertain and may undergo substantial changes in view of the events taking place later. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different even materially Subject to this management disclaimer, this discussion and analysis should be perused.

For BOARD OF DIRECTORS

PLACE : INDORE
DATED : 25.08.2009

(RAJENDRA SINGH JAIN)
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement, a Report on Corporate Governance is given below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed to assist the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders.

2. Board of Directors

Composition

The present strength of the Board is six Directors. The Board Comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Two Executive Directors including Managing Director and Whole-time Director. There are four non-executive Directors.

ITL Industries Limited have certain rights enshrined in the Articles of Associations pertaining to appointment of Directors.

Physical attendance of each Director at the Board Meeting during the year 2008-2009 and the latest AGM.

Name of the Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Attendance at the last A.G.M.
Shri Rajendra Singh Jain (Managing Director)	Executive	11	11	Yes
Shri Mahendra Singh Jain	Executive	11	11	Yes
Shri Manohar Singh Jain	Non-Executive /Independent	11	11	Yes
Shri Dinesh Jain	Non-Executive /Independent	11	11	Yes
Shri N. Chakraborty	Non-Executive /Independent	11	1	No
Dr. S.K. Kapoor	Non-Executive /Independent	11	10	Yes

Number of other Companies or committees the Director (being a Director as on the date of Directors' Report) is a Director / Chairman.

Name of the Director(s)	No. of other Companies In which Director	No. of Committees (other than ITL Industries Ltd. In which Member)
Shri Rajendra Singh Jain	No	No
Shri Mahendra Singh Jain	1	No
Shri Manohar Singh Jain	No	No
Shri Dinesh Jain	1	No
Shri N. Chakraborty	No	No
Dr. S. K. Kapoor	No	No

Number of Board Meetings held and the dates of the Board Meetings

Seven Board Meetings were held during the year 2008-09, on the following dates :

Date	Day	Time	Date	Day	Time
08.04.2008	Tuesday	11.30 A.M.	29.11.2008	Saturday	4.00 P.M.
30.06.2008	Monday	11.00 A.M.	21.01.2009	Wednesday	3.00 P.M.
31.07.2008	Thursday	2.30 P.M.	31.01.2009	Friday	4.00 P.M.
31.07.2008	Thursday	4.30 P.M.	24.02.2009	Tuesday	11.00 A.M.
16.09.2008	Tuesday	11.00 A.M.	31.03.2009	Tuesday	11.30 A.M.
31.10.2008	Friday	4.00 P.M.			

3. Audit Committee :

Terms of Reference of Composition, Name of the Members and Chairman.

The Audit Committee comprises of Shri Dinesh Jain, Chairman of the Committee, Shri Manohar Singh Jain, Shri N.Chakraborty and Shri S.K.Kapoor all being Non-Executive Directors. The Managing Director, Executive Director along with Statutory Auditors are invitees to the meeting. The terms of reference of this Committee are wide enough covering matters specified for Audit Committee under the Listing Agreement / Companies Act, 1956..

Meeting and attendance during the year

Four meetings of the Audit Committee were held during the year 2008-09. The attendance of each member of the committee are given as under :

Name of the Director	No.of Meeting held	No.of Meeting attended
Shri Dinesh Jain	4	4
Shri Manohar Singh Jain	4	4
Shri S.K.Kapoor	4	4

4. Remuneration Committee :

The Remuneration Committee comprises of Shri Manohar Singh Jain , Chairman of the Committee, Shri Dinesh Jain, Shri N.Chakraborty and Shri S.K.Kapoor all being Non-Executive Directors. The Broad Terms of reference of the Committee is to ensure the remuneration practices of the Company in respect of the Executive Directors of the Company .

(A) The details of the remuneration paid to Whole time Directors during the year 2008-2009 are given below :

Name & Designation	All elements Of emuneration package i.e. Salary, benefits, bonuses, pension, Graduity etc.	Fixed Component and performance linked incentives alongwith the performance criteria	Service Contract, Notice period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which exercisable
	(Rs.in lacs)	(Rs.in lacs)	(Rs.in lacs)	(Rs.in lacs)
Shri Rajendra Singh Jain (Managing Director)	13,26,028	NIL	NIL	NIL
Shri Mahendra Singh Jain (Whole Time Director)	11,80,080	NIL	NIL	NIL

Notes :

- The agreement with each of the Directors is for a period of five years.
- Presently, the Company does not have a scheme for the grant of stock options of its employees.

(B) The details of payments to Non-executive Directors during the year 2008-09 are given below :

(Rs.in lacs)

Name of Director	Sitting Fees	Commission
Shri N.Chakraborty	NIL	6,25,951

5. Investors / Shareholders Grievance Committee :

The Company has constituted an Investors / Shareholders Grievance Committee under the Chairmanship of Shri Manohar Singh Jain . The three other members of the Committee are Shri Dinesh Jain, Shri N.Chakraborty and Shri S.K.Kapoor. All the three members of the Committee are Non-Executive Directors. The Committee looks into the Shareholders' and Investors' complaints. The number of shares pending for transfer were Nil as on 31st March, 2009.

6. General Body Meeting :

Details of the location of the past three AGMs and the details of the resolutions passed or to be passed by postal ballot.

- The last three Annual General Meetings of the Company were held at the Registered Office of the Company, 111-Sector-B, Sanwer Road, Indore-452015 (M.P.).

**Details of Annual General Meeting (AGMs):**

AGMs	Date of AGMs	Location	Time
18 th	29.09.2006	Registered Office	11.30 A.M.
19 th	29.09.2007	Registered Office	11.30 A.M.
20 th	27.09.2008	Registered Office	11.30 A.M.

All the Resolutions set out in the respective Notices were passed by the Share-holders.

b) No. resolution requiring postal ballot as recommended under Clause 49 of the Listing Agreement has been placed for Shareholders' approval at the Meeting.

7. Disclosures :

- Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

Details are given elsewhere in the Annual Report. Please refer to item No. 13 of the Notes to the Accounts.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - NIL

8. Means of Communication :

- Half-yearly sent to the each household of shareholder No, as the results of the Company are published in newspapers.
- Quarterly Results -do-
- Any website where displayed www.ifindustries.com
- Whether it is also displayed in official newspapers, and No
- The presentations made to institutional newspapers, and No
- Newspapers in which results are normally published in - Free Press Journal
- Choutha Sansar
- Whether MD & A is a part of Annual Report Yes

9. General Shareholder information :

- **Annual General Meeting :**
 - Date - 24th September, 2009
 - Time - 11.30 A.M.
 - Venue - 111, Sector-B, Sanwer Road Indore-452015 (M.P.)

- Financial Calendar :

Quarter	Period	Publication of Results
First	April to June	Last week of July
Second	July to September	Last week of October
Third	October to December	Last week of January
Fourth	January to March	May / June

- Date of Book Closure 21.09.2009 to 24.09.2009
- Dividend payment dated During October, 2009
- Listing on Stock Exchanges The Stock Exchange, Mumbai (Listing fee for the year 2009-10 has been paid)
M.P. Stock Exchange, Indore (Listing fee for the year 2008-09 has been paid)
- Stock Code-Physical 522183 on Stock Exchange, Mumbai
- ISIN Number for NSDL & CDSL NE478D01014
- Market Price Data: High & Low during each month in the last financial year: Annexure-I

Annexure-I

High / Low of market price of the Company's shares traded on The Stock Exchange, Mumbai during the financial year 2008-09:

(Amount in Rs.)

Month	Highest	Lowest	Month	Highest	Lowest
April, 2008	47.85	32.80	October	29.95	20.70
May	61.80	40.25	November	29.50	19.70
June	39.85	32.00	December	23.50	18.30
July	37.70	31.05	January, 2009	23.65	16.00
August	44.10	32.10	February	18.70	14.05
September	38.25	25.60	March	16.80	11.35

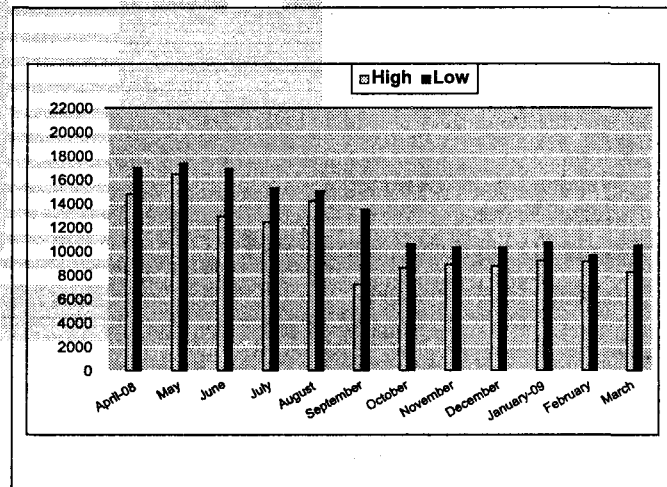
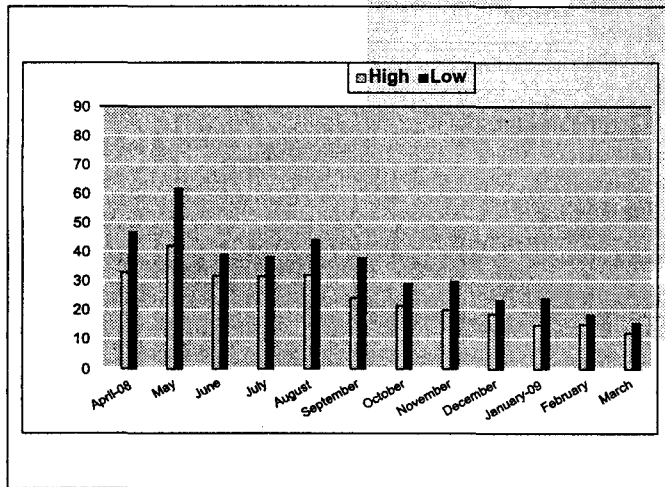
- Stock Performance in comparison to broad-based indices such as BSE Senex, BSE 200, Nifty

As per Annexure-II

STOCK PERFORMANCE Vs BSE SENSEX

**Stock Performance
(Market Share Price)**

BSE Sensex



- Registrar and Share Transfer Agent
- Share Transfer System

M/s. Ankit Consultancy Pvt. Ltd. Alankar Point, Geeta Bawan, INDORE -M.P. Phone- 0731 2491298

All transfers received are processed and approved by the Share Transfer Committee which normally meets once in a month, or at more frequency depending on the volume of transfers



- **Distribution of Shareholding pattern as on 31st March, 2009**

No. of Equity share held	No. of Folio	Percentage %	No. of Shares	Percentage %
Upto 500	4270	90.85	601997	18.26
501 to 1000	213	4.53	171811	5.21
1001 to 5000	151	3.21	338272	10.26
5001 to 10000	23	0.49	183898	5.58
10001 and above	43	0.92	2001322	60.69
Grand Total:	4683	100.00	3297300	100.00
No. of Shareholders In Physical mode	2744	58.38	1777025	53.89
No. of Shareholder In Electronic Mode	1956	41.62	1520275	46.11

- **Shareholding Pattern as on 31st March, 2009**

Category	No. of Share Holders	No. of Shares	Percentage %
Promoters	38	1450900	44.00
Foreign Collaborators	NIL	NIL	NIL
Mutual Funds	NIL	NIL	NIL
FIs. / Banks	NIL	NIL	NIL
FII's/NRI's	29	89950	2.73
Domestic Companies	87	330938	10.04
Public	4546	1425512	43.23
Total :	4700	3297300	100.00

- Dematerialisation of Shares and liquidity

46.11 the paid-up Share capital has been dematerialise 44.00% of paidup capital held by the promoters.

- Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity

The Company has not issued any ADR / GDR

- Plant Location

The Company's plant is located at :111, Sector-B, Sanwer Road, Indore-452015 (M.P.)

- Address for correspondence

Shareholders correspondence should be address to Registrar & Share Transfer Agent of the Company M/s. Ankit Consultancy Pvt.Ltd. 2nd Floor, Alankar Point Gita Bhawan Chouraha Indore (M.P.)

OR

Registered office of the Company at :111, Sector-B, Sanwer Road Indore-452015 (M.P.)

Shareholders holding shares in Electronic mode should address all their correspondence to their - respective Depository Participant.

B. NON-MANDATORY REQUIREMENTS :

- a) Chairman of the Board: Yes
Whether the Chairman of the Board is entitled to maintain a Chairman's office at the Company's expenses & also allowed reimbursement of expenses incurred in the performance of his duties.
- b) Remuneration Committee The Company has set a Remuneration Committee.
- c) Shareholder Right :
The Quarterly declarations of financial performance -including summary of the significant events in last six months should be sent to each household of shareholders
As the Company's Quarterly Results are published in English newspaper having a circulation all over India and Hindi newspaper (having circulation in M.P.) the same are not sent to the Share holders of the Company.
The annual accounts are taken on record by the Board and then communicated to the share- holders through the Annual Report.
- d) Postal Ballot The company has not yet made use of the Postal Ballot.

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT :

As required by Clause 49 of the Listing Agreement, the CEO declaration for Code of Conduct is given below :

I Rajendra Singh Jain, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

For ITL Industries Limited

**PLACE : INDORE
DATED : 25.08.2009**

**(Rajendra Singh Jain)
Managing Director**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
ITL Industries Limited

We have examined the compliance of conditions of Corporate Governance by ITL Industries Limited, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock Exchange (s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuing the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS**

**DATED : 25.08.2009
PLACE : INDORE**

**(MAHAVEER K.JAIN)
PROPRIETOR**



AUDITOR'S REPORT

To,
The Members of
ITL Industries Ltd.,

- [i] We have audited the attached Balance Sheet of **ITL INDUSTRIES LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- [ii] We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- [iii] As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
- [iv] Further to our comments in the annexure referred to above, we report that :-
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.

- The Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
- In our opinion, the Balance Sheet and the Profit and loss Account and cash flow statement dealt with by this report comply with the accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- On the basis of written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India :
 - In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009,
 - In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date, and;
 - In the case of cash flow Statement of the cash flows for the year ended on that date.

For **MAHAVEER M. JAIN & CO.**
CHARTERED ACCOUNTANTS

(**MAHAVEER K. JAIN**)
PROPRIETOR

DATED : 25.08.2009
PLACE : INDORE

ANNEXURE

Referred to in Paragraph(iii) of our report of even date on the account of **ITL INDUSTRIES LIMITED** for the year ended 31st March, 2009
[As required by the Companies (Auditor's Report) Order, 2003]

Statement referred to in Paragraph (iii) of the Auditor's Report of even date to the members of **ITL INDUSTRIES LTD.** on the accounts for the year ended on **31st March-2009**.

As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government Of India in terms of sub section (4A) of section 227 of the companies Act. 1956 and on the basis of such checks as considered appropriate and as per the information and explanations given to us during the course of the audit :

- The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
 - As per the information and explanations given to us physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
 - Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the company.
- As per the information furnished, the inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - The company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the company and the same have been properly dealt with the books of accounts.
- The company has taken loan from Directors and other parties listed in the register maintained under section 301 of the companies Act, 1956 amount outstanding Rs. 8.58 lacs
 - According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loans granted/ taken by the company are not prima facie, prejudicial to the interest of the company.
 - The company has paid the amount of loans received from other parties.
 - There are no over due accounts of the nature referred to in the paragraph.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the companies Act.1956 :
- (i) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
- (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore, the provisions of section 58 A and 58 AA of the companies Act 1956 and rules made there under are not applicable to the company.
7. In our opinion the company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has prescribed maintenance of the cost records under section 209(i)(d) of the companies Act, 1956 in respect of the company's product. We have broadly reviewed the books of accounts and records maintained by the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however not made a detailed examination of the records maintained for the above purposes.
9. (i) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund Investor Education and protection Fund, Employee State Insurance, Income tax, Sales tax, Custom Duty, Excise Duty, Cess and any other Statutory dues wherever applicable. According to the information and explanations given to us; no undisputed arrears of statutory dues were outstanding as at 31st March 2009 for a period of more than 6 months from the date they became payable.
- (ii) According to the records of the company, the dues of Sales tax / Income tax/Custom duty / Wealth Tax /Excise Duty / Cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under.

Name Of the Statute	Nature Of Dues	Amount (Rupees In Lacs)	Period to Which Amount Relates	Forum Where Disputes is Pending
M.P.Commercial Tax Act, 1994 & Central Tax Act, 1956	MPCT/CST	17.28	2002-03, 2003-04 & 2004-05	Tax Tribunal & Commissioner / Dy. Commissioner Of Commercial Tax, Indore
M.P.Entry Tax Act, 1976	E Tax	1.08	2001-02 & 2004-05	M.P. Commercial Tax Tribunal & Commissioner /Dy. Commissioner Of Commercial Tax, Indore

10. The company does not have accumulated losses as at the end of the year. The company has not incurred cash losses during current & immediately preceding financial year.
11. Based on our audit procedures and on the basis of the information and explanations given by the management, we are of the opinion that the company has generally not defaulted in the repayment of the dues to financial institutions and banks.
12. Based on our examination of records and the information given to us, the company has not granted any loans and/or advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to the Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
14. The company has maintained proper records of the transaction and contract in respect of dealing & trading in shares, securities, debentures and other investments and timely entries have been made therein. All Investments have been made by the company in its own name.
15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
17. According to the cash flow statement and records examined by us and according to the information & explanations given to us, on over all basis, funds raised on short term basis have prima facie, not been used during the year for long term investment and vice versa.
18. The company has not made any preferential allotment of shares during the year. The company has not made any preferential allotment of shares during the year.
19. During the year covered by our Audit Report, the company has not issued secured debentures.
20. The company has not raised money by public issue during the year and hence the question of disclosure and verification of end use of such money does not arise
21. As per information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For MAHAVEER M. JAIN & CO.
CHARTERED ACCOUNTANTS

DATED : 25.08.2009
 PLACE : INDORE

(MAHAVEER K.JAIN)
PROPRIETOR



BALANCE SHEET AS AT 31st March, 2009

PARTICULARS	Sch.No.	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
I. SOURCES OF FUND				
1. Share holder's Fund				
A. Share Capital	1	3,25,43,993		3,25,43,993
B. Reserve & Surplus	2	<u>6,78,01,597</u>	10,03,45,590	<u>5,97,04,874</u> 9,22,48,867
2. Loan Fund				
A. Secured Loan	3	11,28,74,632		6,86,74,254
B. Unsecured Loan	4	<u>8,58,380</u>	11,37,33,012	<u>14,98,752</u> 7,01,73,006
3. Deferred Tax Liabilities (Net)			1,24,95,194	97,41,019
TOTAL			<u>22,65,73,796</u>	<u>17,21,62,892</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
A. Gross Block	5	10,97,32,997		10,95,64,631
B. Less : Depreciation		<u>3,04,77,854</u>		<u>2,74,25,292</u>
C. Net Block			7,92,55,143	8,21,39,339
Assets Under Construction			15,60,661	75,000
2. Investments	6		2,38,47,241	2,05,74,791
3. Current Assets, Loan & Advances				
A. Inventories	7	7,14,65,240		5,78,34,928
B. Sundry Debtors	8	10,72,19,910		9,10,96,276
C. Cash & Bank Balances	9	1,73,46,706		80,30,845
D. Loans & Advances	10	<u>6,81,99,125</u>		<u>3,67,68,766</u>
		26,42,30,980		19,37,30,815
Less : Current Liabilities & Provisions	11	<u>14,23,20,230</u>		<u>12,43,57,053</u>
Net Current Assets :			<u>12,19,10,751</u>	<u>6,93,73,762</u>
TOTAL			<u>22,65,73,796</u>	<u>17,21,62,892</u>

as per our report of even date annexed

The Schedules referred to herein form an integral part of the Profit & Loss account

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For Mahaveer M.Jain & Co.
Chartered Accountants

Rajendra Singh Jain
Mahendra Singh Jain

Managing Director
Whole Time Director

(Mahaveer K.Jain)
Proprietor

DATED : 25-08-2009
PLACE : INDORE

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	Sch.No.	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
I. INCOME			
Sales & Other Income	12	<u>34,61,84,892</u>	<u>37,62,78,960</u>
TOTAL		<u>34,61,84,892</u>	<u>37,62,78,960</u>
II. EXPENDITURE			
A. Decrease / (Increase) in Stock of work in process & finished goods		-16,31,254	-13,421
B. Cost of Raw material Consumed / Sold	13	20,79,19,777	22,87,26,546
C. Manufacturing, Administration and Selling Expenses	14	10,42,12,730	11,17,48,368
D. Interest & Financial overheads	15	1,06,97,974	65,77,057
E. Depreciation		<u>59,17,647</u>	<u>45,74,214</u>
TOTAL		<u>32,71,16,873</u>	<u>35,16,12,764</u>
III. PROFIT BEFORE TAX		1,90,68,018	2,46,66,197
Less : Provision for Taxation current year		35,00,000	54,00,000
Less : Income Tax of previous year		4,77,015	0
Less : Provision for Fringe Benefit Tax		4,92,522	5,92,291
Less : Provision for Deferred Tax Liability		<u>27,54,175</u>	<u>19,22,000</u>
IV. PROFIT AFTER TAX		1,18,44,306	1,67,51,906
Add : Balance brought forward from Previous year		<u>22,04,874</u>	<u>17,00,553</u>
V. PROFIT AVAILABLE FOR APPROPRIATION		1,40,49,181	1,84,52,458
Less : Transferred to General Reserve		1,00,00,000	1,25,00,000
Less : Proposed Dividend		32,03,200	32,03,200
Less : Provision for Dividend Distribution Tax		<u>5,44,384</u>	<u>5,44,384</u>
VI. PROFIT CARRIED TO BALANCE SHEET		3,01,597	22,04,874
Notes on accounts and contingent liabilities	16		

as per our report of even date annexed

The Schedules referred to herein form an integral part of the Profit & Loss account

For Mahaveer M.Jain & Co.
Chartered Accountants

Rajendra Singh Jain
Mahendra Singh Jain

Managing Director
Whole Time Director

(Mahaveer K.Jain)
Proprietor

DATED : 25-08-2009
PLACE : INDORE



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
SCHEDULE-1		
Share holder's Funds :		
Share Capital (Authorised)		
40,00,000 Equity Shares of Rs.10/- each	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Issued, Subscribed & Paid-up		
3297300 Equity Shares of Rs.10/- each	<u>3,29,73,000</u>	<u>3,29,73,000</u>
Less : Amount due on a/c.of Allotment money	<u>4,29,007</u>	<u>4,29,007</u>
TOTAL :	<u>3,25,43,993</u>	<u>3,25,43,993</u>
SCHEDULE-2		
Reserves & Surplus		
1. Profit & Loss Account	3,01,597	22,04,874
2. General Reserve :		
- Balance as per Last Balance Sheet	5,75,00,000	4,50,00,000
- Add: Transfer from P & L A/c.	<u>1,00,00,000</u>	<u>1,25,00,000</u>
TOTAL :	<u>6,78,01,597</u>	<u>5,97,04,874</u>
SCHEDULE-3		
Secured Loans		
A. Term Loan:		
Madhya Pradesh Financial Corporation, Indore (Secured by first legal mortgage of Company's fixed assets both present and future and personal guarantee of some of the Directors)	4,86,51,480	2,58,88,060
C. Working Capital Loan :		
1. State Bank of Indore	2,86,16,820	2,08,28,127
2. State Bank of India	3,14,33,969	2,08,38,766
(Secured by Hyp.by way of charge on inventories both in hand and in transit, book debts, bills & other receivable both present and future, second charges on fixed assets of the Company & personal guarantee of some of the Directors and mortgage of immovable properties.		
B. From Others :	41,72,362	11,19,301
(Against hypothecation of Vehicles of the Company and Suppliers Bill discounting)		
	<u>11,28,74,632</u>	<u>6,86,74,254</u>
SCHEDULE-4		
Unsecured Loan		
From Directors	8,58,380	9,69,266
M.P.S.T. & C.S.T. Deferred	0	5,29,486
TOTAL :	<u>8,58,380</u>	<u>14,98,752</u>

ITL INDUSTRIES LIMITED

SCHEDULE - 5

FIXED ASSETS

SCHEDULE OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2008	Additions during the year	Deduction during the year	TOTAL	Up to 31.03.2008	Provided for the year	Written back during the year	TOTAL	As at 31.03.2009	As at 31.03.2008
Land	1236765	0	0	1236765	0	0	0	0	1236765	1236765
Site Development	150004	0	0	150004	68000	5010	0	73010	76994	82004
Factory Building	30914476	0	0	30914476	7092441	1032544	0	8124984	22789492	23822036
Plant & Machinery	46609121	1493045	8461425	39640741	10052259	1687305	2865085	8874478	30766263	36556862
Electrical Equipment	467194	0	0	467194	189483	33031	0	222513	244681	277711
Office Equipment	4021832	301152	0	4322983	1286648	238232	0	1524880	2798103	2735184
Furniture & Fixture	4928007	1016981	0	5944988	2141977	362701	0	2504678	3440309	2786030
Computer & Software	13420092	5809264	0	19229356	4405897	1967433	0	6373330	12856026	9014195
Motor Car	4652971	6500	0	4659471	1188474	437928	0	1626402	3033069	3464497
Cycle & Handcart	22550	2850	0	25400	13963	4237	0	18200	7200	8587
Technical Know-How	3141619	0	0	3141619	986152	149227	0	1135379	2006240	2155467
TOTAL -	109564631	8629791	8461425	109732997	27425292	5917647	2865085	30477854	79255143	82139338
Previous year -	78511103	31123028	69500	109564631	22882715	4574214	31637	27425292	82139338	

PARTICULARS

No. of unit	Amount As At 31.03.2009	Amount As At 31.03.2008
31.03.2009	(Rs.)	(Rs.)

SCHEDULE-6

Investments :

a. Unquoted, Non-Trade-Long Term (At cost) :-

- Investment in subsidiary company			
- M/s.ITL International LLC., USA		1253066	1253066
- Investment in other Company		2338000	263000
- HDFC AMC Ltd.A/c REP		500000	500000
- Investment With MPSEL (Shares)		0	3675340
TOTAL (A) :		4091066	5691406

b. Quoted but not listed-Current Investments :-

- Investment in Mutual Funds			
Birla Mutual Fund		37282	700000
(Purchased during the year) Units	21088		
DSP Mutual Fund		101597	1625000
(Purchased during the year) Units	40473		
Fidelity Mutual Fund		58440	650000
Franklin Mutual Fund			0
(Sold during the year) Units	97800		1000000
HDFC Mutual Fund		5475	150000
Pru ICICI Mutual Fund		157206	1583059
(Purchase during the year) Units	48900		
(Sold during the year) Units	36879		
Sundaram Mutual Fund		67965	1500000
(Sold during the year) Units	89717		2550000
Reliance Mutual Fund		20000	200000
(Sold during the year) Units	6225		950000
SBI Mutual Fund		362881	5000000
(Purchase during the year) Units	262881		1000000
Tata Mutual Fund		197511	3000000
(Purchase during the year) Units	20522		2500000



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	No. of unit 31.03.2009	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
JM Mutual Fund	39350	1141820	2500000
(Sold during the year) Units	46806		
ING Fund	130719	2000000	0
(Purchase during the year) Units	130719		
Standard Chartered Mutual Fund	56282	1000000	200000
(Purchase during the year) Units	36282		
HSBC Mutual Fund	50000	500000	500000
TOTAL (B) :	<u>1284708</u>	<u>19049879</u>	<u>14658059</u>
c. Quoted and listed :			
- Investment in Equity Shares		706296	225326
TOTAL (C) :		<u>706296</u>	<u>225326</u>
TOTAL (A) + (B) + (C) :		<u>23847241</u>	<u>20574791</u>
- Aggregate market value of quoted but not listed investments in Mutual Fund		12666503	13472293
- Aggregate market value of quoted and listed investments in Equity Shares		324563	161440
SCHEDULE-7			
Inventories :			
1. Raw Materials & Trading Goods (at cost)		5,84,92,414	4,67,12,901
2. Work in process & Semifinished Goods (at estimated manufacturing cost)		1,20,78,223	95,87,587
3. Finished Products (at estimated mfg.cost)		4,76,879	13,36,260
4. Stores, Spares parts & Standard item (at cost)		4,17,725	1,98,180
TOTAL :		<u>7,14,65,240</u>	<u>5,78,34,928</u>
SCHEDULE-8			
Sundry Debtors :			
(Unsecured, considered goods)			
A. Outstanding for a period exceeding six months.		3,79,93,869	3,09,28,369
B. Others		6,92,26,041	6,01,67,907
TOTAL :		<u>10,72,19,910</u>	<u>9,10,96,276</u>
SCHEDULE-9			
Cash & Bank Balances :			
Cash in hand		11,67,199	6,05,949
Balance with Scheduled Banks in fixed - deposit account		1,08,33,608	48,37,903
Accrued interest on Fixed Deposits		4,98,487	3,91,784
In Current / OBC accounts		37,05,666	13,92,398
Towards unclaimed Dividend account		11,41,746	8,02,811
TOTAL :		<u>1,73,46,706</u>	<u>80,30,845</u>
SCHEDULE-10			
Loand & Advances :			
i. Recoverable in cash or kind or for value to be received		4,98,03,824	1,77,76,391
ii. Deposits		23,62,309	22,12,585
iii. Advance payment of Income Tax		1,60,32,992	1,67,79,790
TOTAL :		<u>6,81,99,125</u>	<u>3,67,68,766</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
SCHEDULE-11		
Current Liabilities & Provisions :		
A. Current Liabilities		
i. Sundry Creditors	6,55,84,860	6,14,35,455
ii. Customers Credit Balances	5,05,16,965	3,64,73,549
iii. Other Liabilities	59,73,018	28,04,851
iv. Unclaimed Dividend account	<u>11,41,746</u>	<u>8,02,811</u>
TOTAL (A) :	<u>12,32,16,590</u>	<u>10,15,16,666</u>
B. Provisions		
i. Provision for Income Tax	1,42,00,000	1,80,00,000
ii. Proposed Dividend	32,03,200	32,03,200
iii. Provision for Bonus	10,49,756	8,01,528
iv. For Provident Fund Scheme	0	48,964
v. For Employees State Insurance Scheme	0	31,987
vi. Provision for Gratuity	1,06,300	2,10,324
vi. Provision for Dividend Distribution Tax	<u>5,44,384</u>	<u>5,44,384</u>
TOTAL (B) :	<u>1,91,03,640</u>	<u>2,28,40,387</u>
GRAND TOTAL (A+B) :	<u>14,23,20,230</u>	<u>12,43,57,053</u>
SCHEDULE-12		
Sales & Other Income		
A. Sales (Net of Sales Tax)	33,93,71,426	36,96,11,520
B. Job Work	12,48,195	21,61,815
C. Misc. Income	<u>55,65,271</u>	<u>45,05,625</u>
TOTAL :	<u>34,61,84,892</u>	<u>37,62,78,960</u>
SCHEDULE-13		
Cost of Raw Material Consumed / Sold		
Opening Stock	4,67,12,901	4,32,58,660
Add : Purchases	<u>21,96,99,290</u>	<u>23,21,80,786</u>
	26,64,12,191	27,54,39,446
Less: Closing Stock	<u>5,84,92,414</u>	<u>4,67,12,901</u>
TOTAL :	<u>20,79,19,777</u>	<u>22,87,26,545</u>
SCHEDULE-14		
Manufacturing, Administration and Selling Expenses :		
A. Manufacturing Overheads :		
Stores, Spares parts & Standard item consumed :		
Opening Stock	1,98,180	1,25,640
Add: Purchases	<u>17,40,630</u>	<u>19,29,429</u>
	19,38,810	20,55,069
Less : Closing Stock	<u>4,17,725</u>	<u>1,98,180</u>
Consumed during the year	15,21,085	18,56,889
Packing Materials expenses	11,19,224	3,98,636
Component Processing Charges	82,92,528	94,03,878
Power & Fuel	16,26,236	20,73,599
Repair & Maintenance to :		
1. Plant & Machinery	2,95,217	2,68,625
2. Building	2,99,808	2,00,663
Entry Tax	7,97,038	11,62,053
Excise Duty	<u>2,50,60,727</u>	<u>3,18,76,780</u>



SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C. AS AT 31st MARCH, 2009

PARTICULARS	Amount As At 31.03.2009 (Rs.)	Amount As At 31.03.2008 (Rs.)
Freight & Cartage inward	33,03,004	41,76,339
Misc. Expenses	65,44,948	38,89,243
Security Transaction Tax	9,924	33,091
TOTAL (A) :	<u>4,88,69,738</u>	<u>5,53,39,796</u>
B. Employees Remuneration & Benefits:		
Salary, Wages & Allowances : (Including Bonus & Ex-gratia)	2,29,76,035	1,76,10,627
Contribution to E.S.I.C.	3,29,428	3,06,909
Contribution to Provident Fund	5,91,618	4,88,532
Contribution to Public Provident Fund	1,68,480	1,56,960
Welfare Expenses	5,11,645	5,07,629
Director's Remuneration	23,37,628	22,56,295
TOTAL (B) :	<u>2,69,14,835</u>	<u>2,13,26,952</u>
C. General & Administrative Overheads :		
Rent, Rates & Taxes	13,75,319	12,58,112
Electricity Charges	1,70,949	1,93,659
Stationery & Printing	5,08,602	5,87,517
Postage & Courier	2,41,729	2,83,330
Telephones & Internet	13,02,812	11,39,354
Travelling & Conveyance	65,02,577	65,77,002
Legal & Professional	40,06,308	57,60,900
Auditor's Remuneration	50,000	50,000
Insurance	3,07,277	5,20,982
Loss on Sale of Fixed Assets	4,33,821	19,863
Loss on Sale of Investment	15,31,266	8,88,495
Misc. Expenses	13,29,709	18,84,682
TOTAL (C) :	<u>1,77,60,368</u>	<u>1,91,63,896</u>
D. Selling & Distribution Expenses :		
Sales Promotion Expenses	4,84,824	5,50,374
Freight & Cartage outward	13,71,580	20,03,970
Freight & Cartage For Export	6,91,881	33,49,652
Sales Commission & Discount	25,77,025	26,08,438
Advertisement & Exhibition expenses	24,47,028	14,99,574
Bad Debts	12,48,437	32,94,068
Misc. Expenses	5,06,744	2,97,423
After Sales & Service Exps.	12,64,038	4,44,758
EMO Hannover Exhibition Expenses	0	18,69,466
GTA on Freight Inward	76,233	0
TOTAL (D) :	<u>1,06,67,790</u>	<u>1,59,17,723</u>
GRAND TOTAL (A+B+C+D) :	<u>10,42,12,730</u>	<u>11,17,48,367</u>
SCHEDULE-15		
Interest & Finance charges		
Interest on Fixed Period Loans	32,97,606	21,24,451
Interest on Other Loans (Net)	52,83,704	29,30,195
Other Financial charges	21,16,664	15,22,411
TOTAL :	<u>1,06,97,974</u>	<u>65,77,057</u>

SCHEDULE - '16'

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

1. ACCOUNTING POLICIES:

The Company generally follows the Mercantile System of accounting recognizing both Income and Expenditure on accrual basis.

The accounts are prepared on historical basis and as a going concern, accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

A. Sales :

Sales comprise sale of goods net of trade discount and sales-tax.

B. Research & Development :

Research and development costs (other than cost of Fixed Assets acquired/developed) are charged as an expenses in the year in which they are incurred.

C. Retirement Benefits :

Provision for accruing liabilities for Gratuity has been made on the basis of the liability as actually determined as at the year end, and contribution are being made to L.I.C. of India under its Group Gratuity Fund. However, Leave encashment on separation has been accounted for on payment basis.

D. Depreciation :

Depreciation is provided under the 'Straight Line Method' at rates provided under Schedule XIV of the Companies Act, 1956. The Company has not provided depreciation on assets of Agro division as the assets are not used during the year consequently the depreciation for the year is lower by Rs. 125332/-.

E. Inventories :

Work in process semi finished goods and finished goods are valued at estimated manufacturing cost.

Stock of raw materials, Bought outs and stores spare and standard items is valued at moving average price.

F. Excise Duty :

Excise Duty payable on finished goods held in plant is neither included in expenditure nor valued in stocks, but is accounted for on clearance of goods from plant. This accounting treatment has no impact on profits.

G. Taxes on Income :

- i) Current tax is determined on the basis of the amount of tax payable on taxable income for the year.
- ii) In accordance with Accounting standard 22 "Accounting for taxes on Income" issued by the institute of Chartered Accountants of India, amount of deferred tax for the timing difference between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or subsequently enacted as of the Balance Sheet date.

2. CONTINGENT LIABILITIES :

- i) Guarantees issued by Banks Rs. 4,67,85,409/-
- ii) Tax demand for MPCT & CST for the years 2002-03 to Rs. 17,27,638/-
2004-05 appealed against but not provided for in accounts
- iii) Tax demands for Entry Tax for 2001-02, 2003-04 Rs. 1,07,846/-
& 2004-05 appealed against but not provided for in accounts.

3. Balance confirmation from parties have not been obtained.

4. Auditor's Remuneration includes the following :-

	2008-2009	2007-2008
a) For Statutory Audit	40,000/-	40,000/-
b) For Tax Audit	5,000/-	5,000/-
c) For reimbursement of exps.	5,000/-	5,000/-
TOTAL:	50,000/-	50,000/-



5. **Managerial Remuneration :**

Particulars of remuneration to the Directors including remuneration & perquisites of Managing Director of Rs.13,26,028/-

	<u>2008-2009</u>	<u>2007-2008</u>
1) Salary, Allowances & Bonus	22,74,480/-	21,19,860/-
2) PPF Contribution	1,68,480/-	1,56,960/-
3) Other Perquisites	63,148/-	1,36,435/-
4) Sales Commission	6,25,951/-	6,17,542/-
TOTAL:	<u>31,32,059/-</u>	<u>30,30,797/-</u>

The Company has been advised that the computation of net profits for the purpose of Directors' Remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission by way of percentage of profits is payable for the year to any of the Directors of the Company.

6. **Expenditure / Remittances in Foreign Currency on Account of:-**

	<u>2008-2009</u>	<u>2007-2008</u>
-- Raw Materials	2,13,23,796/-	1,78,05,916/-
-- Others	39,77,916/-	25,26,932/-
TOTAL:	<u>2,53,01,712/-</u>	<u>2,03,32,848/-</u>

7. **Earnings in Foreign Exchange :-**

	<u>2008-2009</u>	<u>2007-2008</u>
-- Export of Goods on CIF / FOB Basis and Advance from customers	1,47,37,549/-	9,48,57,864/-
TOTAL:	<u>1,47,37,549/-</u>	<u>9,48,57,864/-</u>

8. **Particulars of consumption of Imported and Indigenous Raw Materials:**

	<u>2008-2009</u>		<u>2007-2008</u>	
	<u>Value</u>	<u>% of Total</u>	<u>Value</u>	<u>% of Total</u>
Imported	2,13,23,796/-	10.26%	1,78,05,915/-	7.78%
Indigenous	18,65,95,981/-	89.74%	21,09,20,630/-	92.22%
Total :	<u>20,79,19,777/-</u>	<u>100.00%</u>	<u>22,87,26,545/-</u>	<u>100.00%</u>

9. **Particulars of Sales :**

<u>ITEMS</u>	<u>2008-2009</u>		<u>2007-2008</u>	
	<u>Qty.</u>	<u>Amount (Rs.)</u>	<u>Qty.</u>	<u>Amount (Rs.)</u>
1. Bandsaw Machines & Special Purpose Machines	167	23,59,01,895/-	190	30,25,79,216/-
2. Bimetallic Bandsaw Blades & spares		4,30,05,912/-	--	2,71,66,053/-
3. Oil Hydraulic, Elements accessories, Spare parts, M.S.Round, Sheet & Others		6,04,63,619/-	--	3,98,66,251/-
Total :		<u>33,93,71,426/-</u>		<u>36,96,11,520/-</u>

10. As explained to us quantitative data can not be given as the production represents machine fabrication castings assembling of elements etc. against individual tailor made orders. In the case of Trading activities the items involved are large in numbers.

11. Income Tax Assessments of the Company have been completed upto assessment Year 2006-2007

ITL INDUSTRIES LIMITED

12. In terms of Accounting standard 17, the Company has identified following segments and the details is furnished as under :

SEGMENT WISE REPORT FOR YEAR ENDED 31st MARCH, 2009

- Primary Business Segment

I. Information about Business Segments :

PARTICULARS	(Rs.in lacs)	
	Year ended 31/03/2009	Year ended 31/03/2008
1. Segment Revenue :		
Machine Manufacturing	2899.67	3035.04
Trading Activities	709.39	485.88
Total	<u>3609.06</u>	<u>3520.92</u>
Less : Inter Segment Revenue	147.21	77.76
Net Sales / Income from Operation	<u>3461.85</u>	<u>3443.16</u>
2. Segment Profit / (Loss) before Tax and interest :		
Machine Manufacturing	235.23	257.55
Trading Activities	62.43	54.90
Total	<u>297.66</u>	<u>312.45</u>
Less : Interest	106.98	65.77
Net Profit before Tax	190.68	246.68
3. Capital Employed :		
(Seg.Assets Seg. Liabilities)		
Machine Manufacturing	520.49	606.03
Trading Activities	492.51	312.47
Total	<u>1013.00</u>	<u>918.50</u>

II. Information about geographical Segments :

PARTICULARS	(Rs. In lacs)		
	Within India	Outside India	Total
1. Net Sales /	33,14,47,343	1,47,37,549	34,61,84,892
Income from Operations			

13. Related party disclosures in terms of accounting standard 18:

- (a) ITL International LLC, USA :
(A Wholly Owned Subsidiary Company)
Outstanding Balance as on 31/03/2009 : Rs. 1,07,510/- (Dr.)
- (b) Remswegs Marketing Pvt.Ltd. :
(A Company controlled by relatives of Directors)
Sales : Rs. 18,430/-
Purchases : Rs. 39,03,122/-
Outstanding Balance as on 31/03/2009 : Rs. 5,77,902/- (Cr.)
- (b) Indore Tools Pvt.Ltd. :
(A Company controlled by relatives of Directors)
Sales : Rs 1,06,96,125/-
Purchases : Rs. 53,24,890/-
Outstanding Balance as on 31/03/2009 : Rs 67,00,548/- (Dr.)

14. The Company has invested Rs.12,53,066/- in M/s.ITL International LLC (USA). Pending commencement of commercial activities, no statement of accounts for the year ended 31.12.2008 have been drawn.

15. The Earning Per Share (EPS) is workedout as under (AS 20) :

	2008-2009	2007-2008
A. Profit after tax	1,18,44,306/	1,67,51,906/-
B. Weighted Average Number of shares (Paid-Up) outstanding during the year	32,54,399	32,54,399
C. Earning per share (A/B)	3.64	5.15
D. Face Value per share	10/-	10/-

16. Previous year's figures have been reworked, regrouped and reclassified wherever necessary.



**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

1. Registration Details :

Registration No. State Code
 Balance Sheet Date

2. Capital Raised during the Year (Amount in Rs.Thousand) :

Public Issue Right Issue
 Bonus Issue Private Placement

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand) :

Total Liabilities	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="4"/>	Total Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="4"/>
Sources of Funds:-		Application of Funds :-	
Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/>	Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="6"/>
Reserves & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="2"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/>
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="5"/>	Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/>
Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/>	Misc.Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Deferred Tax Liabilities (Net)	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="5"/>	Accumulated Losses	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

4. Performance of Company (Amount in Rs.Thousand):

Turnover (Including- other Income)	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/>	Total Expenditures	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="7"/>
Profit / (Loss) before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="8"/>	Profit / (Loss) after tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="4"/>
Earning Per Share Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="4"/>	Dividend Rate %	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/>

5. Generic Names of three Principal Products/Service of the Company (As per monetary Terms):

Item Code No. (ITC Code)	Product Description
<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/>	<input type="text" value="H"/> <input type="text" value="O"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="Z"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value="B"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="S"/> <input type="text" value="A"/> <input type="text" value="W"/> <input type="text" value=""/> <input type="text" value="M"/> <input type="text" value="I"/> <input type="text" value="C"/>
<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/>	<input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value="B"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value="S"/> <input type="text" value="A"/> <input type="text" value="W"/> <input type="text" value=""/> <input type="text" value="M"/> <input type="text" value="I"/> <input type="text" value="C"/>
<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="5"/>	<input type="text" value="P"/> <input type="text" value="O"/> <input type="text" value="W"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="H"/> <input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="K"/> <input type="text" value="S"/> <input type="text" value="A"/> <input type="text" value="W"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="M"/> <input type="text" value="I"/> <input type="text" value="C"/>

As per our report of even date annexed

For MAHAVEER M.JAIN & CO.
Chartered Accountant

(MAHAVEER K.JAIN)
Proprietor

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	Amount in Rs. Year ended 31st March,09	Amount in Rs. Year ended 31st March,08
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra Ordinary Adjustments:	19068018	24666197
Depreciation for the year	5917647	4574214
Interest Paid	10697974	6577057
Operating Profit before working capital changes	35683639	35817468
ADJUSTMENT :		
Trade and other receivables	-16123634	-12701262
Inventories	-13630312	-3540202
current Liabilities & Provision	17624242	-24801747
Other Current Assets	<u>(31430358)</u>	<u>9557307</u>
Cash Generated from operation	-7876423	4331564
Interest paid	(10697974)	(6577057)
Direct Tax paid (Net)	<u>(4469537)</u>	<u>(5992291)</u>
Cash Flow before extra ordinary adjustments	23043934	8237784
Extra Ordinary Items :		
Loss / Profit on Sale of Fixed Assets	433821	19863
NET CASH FLOW FROM OPERATING ACTIVITIES Total (A) :	<u>22610113</u>	<u>8217921</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Net)	(4952934)	(31180028)
Investment made during the year	(3272450)	(1258399)
NET CASH USED IN INVESTING ACTIVITIES Total (B) :	<u>(8225384)</u>	<u>(32438427)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long Term Borrowings (Net)	25176111	13776579
Proceeds from Short Term Borrowings	18383896	7817595
Dividend / Corporate Dividend Tax paid	<u>(3747584)</u>	<u>(3747584)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES Total (C) :	<u>39812423</u>	<u>17846590</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENT Total (A+B+C)	<u>8976926</u>	<u>(22809758)</u>
CASH AND CASH EQUIVALENT AS AT 01.04.2008 (Opening Balance)	7228034	30037792
CASH AND CASH EQUIVALENT AS AT 31.03.2009 (Closing Balance)	16204960	7228034

For Mahaveer M.Jain & Co.

For and On behalf of the Board

PLACE : INDORE
DATED : 25.08.2009

(Mahaveer K.Jain)
Proprietor

(Rajendra Singh Jain)
Managing Director



ITL INDUSTRIES LIMITED
111, Sector-B, Sanwer Road, Indore (M.P.)-4520015

PROXY FORM

I/We.....
 being a Member / Members of ITL INDUSTRIES LIMITED hereby appoint.....
 of.....
 (or failing him / her)
 of as my/our Proxy in my/our absence to attend and vote for me / us, and on my / our
 behalf at the 21st Annual General Meeting of the Company to be held on 24th September, 2009 at 11.30 a.m. at the Registered
 Office of the Company, 111, Sector-B, Sanwer Road, Indore(M.P.)-452015.

AS WITNESS my / our hands this day
 2009 Signed by said
 in the presence of

For OFFICE USE ONLY

Proxy No.
 Folio No.
 No.of Shares

 (Signature)

Rs.1/- Revenue Stamp

- Notes :** (a) The form should be signed across the stamp as per specimen signature
 (b) The Proxy form duly completed must be deposited at the Registered Office of the Company in not less than 48
 Hours before the time fixed for holding the aforesaid meeting.

ITL INDUSTRIES LIMITED
111, Sector-B, Sanwer Road, Indore (M.P.)-4520015

(ATTENDANCE SLIP to be filled in and handed over at the entrance of the meeting hall)

Full Name of the attending member.....

Regd. Folio No./Client ID No.

No. of Shares held

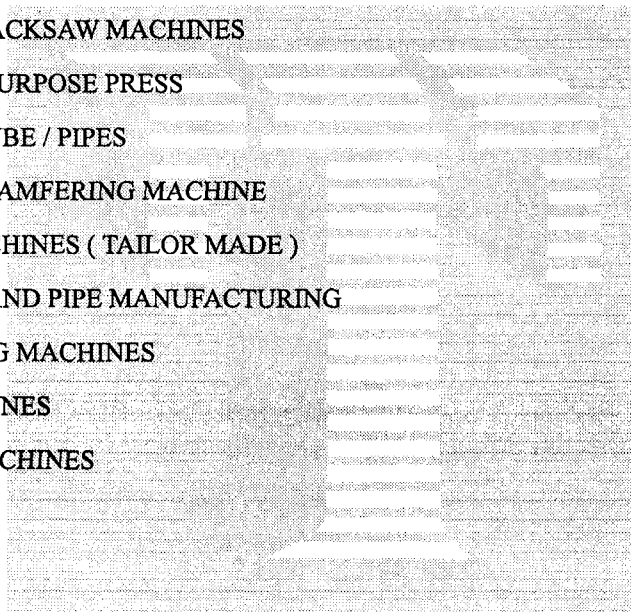
Full name of Proxy (in BLOCK LETTERS)

SIGNATURE OF THE MEMBER(S) OR PROXY/PROXIES PRESENT

I hereby record my presence at the 21st ANNUAL GENERAL MEETING held on 24th September, 2009 at 11.30 a.m. at 111,
 Sector-B, Sanwer Road, Indore (M.P.) - 452015.

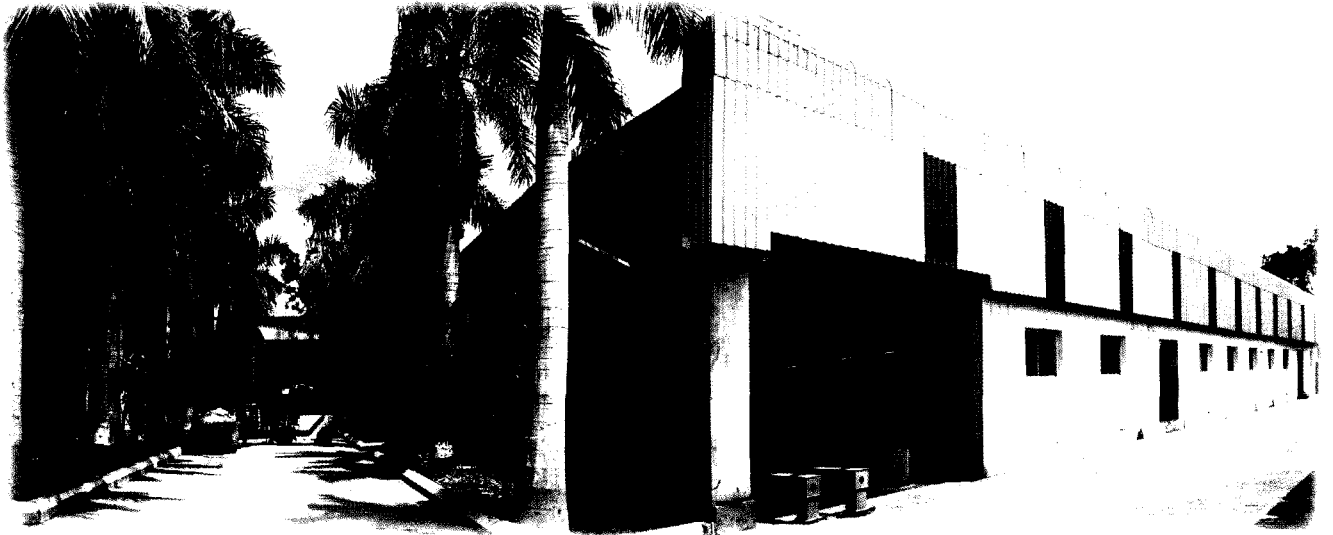
RANGE OF PRODUCTS

- * ALUMINIUM SLAB AND TRIM CUTTING STATION
- * HIGH SPEED ALLUMINIUM BILLET CUTTING MACHINE
- * HIGH SPEED METAL CUTTING BANDSAW MACHINES
- DOUBLE COLUMN TYPE CNC BANDSAW MACHINES
- VERTICAL TYPE BANDSAW MACHINES
- * HYDRAULIC KEYWAY SLOTTING MACHINE
- * HYDRAULIC POWER PACKS
- * HYDRAULIC STATOR BAR PRESS
- * HYDRAULIC POWER HACKSAW MACHINES
- * HYDRAULIC SPECIAL PURPOSE PRESS
- * HYDRO TESTER FOR TUBE / PIPES
- * PIPE AND FACING & CHAMFERING MACHINE
- * SPECIAL PURPOSE MACHINES (TAILOR MADE)
- * TUBE MILL FOR TUBE AND PIPE MANUFACTURING
- * TUBE & PIPE STRAITING MACHINES
- * TUBE POINTING MACHINES
- * CIRCULAR SAWING MACHINES
- * DRAW BENCHES
- * SWAGING MACHINES



DIVISION'S ACTIVITY

- * **INDTOOLS SALES & SERVICES** AUTHORISED DISTRIBUTORS FOR HYDRAULIC PRODUCTS OF -
M/S. EATON HYDRAULICS
M/S. VICKERS SYSTEM INTERNATIONAL LTD
M/S. FERROCARE MACHINES (P) LIMITED
- * **ITL SAWS & TOOLS** DISTRIBUTOR FOR INDIA FOR BIMETAL BANDSAW BLADES, HACKSAW BLADES & OTHER TOOLS
- * **ITL e-services**
- * **ITL e-exim**



**ANNUAL REPORT
2008-09**

BOOK-POST

To,

Registered Office & Works

ITL Industries Ltd

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Indore 452 015 (MP) India
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Fax : 91-731-2722372, 2721110
E-mail : itlindia@sancharnet.in.
Website : www.itlindustries.com