



**IITL GROUP**

Industrial Investment Trust Limited

80<sup>th</sup>  
Annual Report  
2012 - 2013

## CONTENTS

	Page No.
Board of Directors	1
Notice	2 - 6
Directors' Report	7 - 10
Management Discussion and Analysis	11 - 12
Report on Corporate Governance	13 - 18
Auditors' Report on Corporate Governance	19
Auditors' Report of Standalone Financial Statements	21 - 23
Standalone Financial Statements	24 - 52
Auditors' Report of Consolidated Financial Statements	54
Consolidated Financial Statements	55 - 73

## **INDUSTRIAL INVESTMENT TRUST LIMITED**

<b>BOARD OF DIRECTORS</b>	:	Dr. B. Samal	- Chairman
		Mr. Bipin Agarwal	
		Mr. R. S. Loona	
		Mr. Venkatesan Narayanan	
		Mr. Subhash Bhargava	
		Mr. P. K. Rath	- Nominee of LIC India
		Ms. Cumi Banerjee	- CEO & Company Secretary
		Mr. Shishir Karnik	- Group CFO
<b>BANKERS</b>	:	Axis Bank Limited	
		ICICI Bank Limited	
		Union Bank of India	
		IndusInd Bank Ltd.	
		HDFC Bank Limited	
<b>AUDITORS</b>	:	Deloitte Haskins & Sells	
		Chartered Accountants	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	Link Intime India Private Limited	
		C-13, Pannalal Silk Mills Compound, L. B. S. Marg,	
		Bhandup (W), Mumbai 400 078	
		Tel: 022 25963838	
<b>REGISTERED OFFICE</b>	:	14E, Rajabhadur Mansion, 2nd Floor,	
		28, Bombay Samachar Marg,	
		Fort, Mumbai 400 001	
		Tel: 022 43250100	

## NOTICE

NOTICE is hereby given that the Eightieth Annual General Meeting of the Members of Industrial Investment Trust Limited will be held at **M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Saturday, September 07, 2013 at 3.30 p.m.** to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year ended March 31, 2013.
3. To appoint a Director in place of Dr. B. Samal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.K. Rath, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), be and are hereby re-appointed as Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them."

### SPECIAL BUSINESS

6. **Appointment of Mr. Subhash C. Bhargava as a Director**  
To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** Mr. Subhash C. Bhargava, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. **Re-appointment of Dr. B. Samal as Executive Chairman and Payment of Remuneration**

To consider, and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by Central Government from time to time, and subject to such other

consents and approvals as may be required and pursuant to Articles 149 and 150 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Dr. B. Samal as Executive Chairman of the Company for a period of 3 years w.e.f. January 24, 2013 to January 23, 2016 on the following terms and conditions:

1. Tenure of Appointment : From January 24, 2013 to January 23, 2016
2. Remuneration Payable : ₹ 1,75,000/- per month (upto July 31, 2013)  
₹ 2,25,000/- per month (w.e.f. August 01, 2013)
3. Other Perquisites and Benefits : He shall be entitled to, as per the rules of the Company, to:
  - i) Housing Accommodation,
  - ii) Company's contribution to Provident Fund,
  - iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of services and
  - iv) Encashment of leave at the end of the tenure

In addition to salary, perquisites like club fees and use of Company's car for official purpose.

Provided that the Salary and the Perquisite on Housing Accommodation should not exceed ₹ 3,50,000/- per month.

### **Minimum Managerial Remuneration (in case of absence or inadequacy of profits):**

Notwithstanding anything to the contrary herein contained, where, during the tenure of the appointment of Dr. B. Samal as the Executive Chairman of the Company, the Company has no profits or the profits are inadequate, the Company will pay the above remuneration as minimum remuneration, in compliance with Sections 198 & 309 read with Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution."

By Order of the Board of Directors  
**For Industrial Investment Trust Limited**

Cumi Banerjee  
CEO & Company Secretary

Mumbai : August 01, 2013

### **Registered Office :**

14E, Rajabhadur Mansion, 2nd Floor,  
28, Bombay Samachar Marg  
Mumbai 400 001

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 31, 2013 to Saturday, September 07, 2013 (both days inclusive).
3. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 06, 2013 to those shareholders or their mandates whose names stand on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before August 30, 2013 and in respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose as on the close of business hours on August 30, 2013.
4. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) subject to availability of bank account details and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.  
  
Members holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits MICR code number.
5. Members are requested to send all correspondences relating to shares including requests for transfer, change of address, change of status, change of mandate, Bank Account details to our Registrar and Share Transfer Agents: M/s. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel. No.: 2596 3838. In respect of shares held in dematerialised mode, the shareholders should inform their concerned Depository Participant only.
6. In all the correspondences with the Company / Registrar and Share Transfer Agents, the members holding in physical form are requested to quote their account / folio numbers and in case their shares are held in dematerialised form, they must quote their Client ID Number and DP ID Number.
7. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
8. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
9. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to the Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2<sup>nd</sup> Floor, Next to Reserve Bank of India, CBD, Belapur – 400 614.
10. In terms of section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the year 2005-2006 or thereafter are requested to write to the Company / Registrars and Share Transfer agents. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
11. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents (RTA) of the Company.
12. Pursuant to the Circular No.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs on '**Green Initiative in Corporate Governance**', Shareholders are requested to duly communicate their e-mail Id's to their respective DPs or RTA of the Company (A perforated form being attached in the Annual Report for the same).
13. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

**Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting [In pursuance of Clause 49 of the Listing Agreement]**

Name of the Director	Mr. Subhash C. Bhargava	Dr. B. Samal	Mr. P.K. Rath
Date of Birth	20.07.1945	02.03.1943	20.08.1956
Nationality	Indian	Indian	Indian
Date of Appointment	28.01.2013	05.03.2008	12.10.2009
Qualifications	B.Com, FCA	M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune	M.A.
Expertise in specific functional areas	He started his career with LIC of India and worked at various places and key Departments viz. Investment Dept., Audit & Inspection Dept., Finance & Accounts Dept. and Estate management. He was elevated to the post of Executive Director (Investment). Post retirement in July 2005, he was appointed as an Investment Advisor in Bank of Rajasthan and in Met Life Insurance Co. Ltd. Also, he is on the Advisory Board of ILFS Tara Fund.	He has more than 33 years of experience in the areas of Banking – Rural Credit, HRD, Security related Market and Industrial Finance. He has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India. He was also a member of Securities Appellate Tribunal (SAT).	He has over 18 years of experience in marketing and real estate.
Directorships held in other companies	<ol style="list-style-type: none"> <li>Aditya Birla Nuvo Limited</li> <li>OTC Exchange of India</li> <li>Escorts Limited</li> <li>Jaiprakash Associates Limited</li> <li>Swaraj Engines Limited</li> <li>A.K. Capital Services Limited</li> <li>Cox &amp; Kings Limited</li> <li>GK Industrial Park Private Limited</li> <li>Antique Finance Private Limited</li> <li>Jaiprakash Power Ventures Limited</li> <li>Asahi Industries Limited</li> <li>Swaraj Automotives Limited</li> <li>IIT Insurance Broking and Risk Management Private Limited</li> <li>Welworth Finvest Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Surana Industries Limited</li> <li>Jaiprakash Associates Limited</li> <li>Jaypee Infratech Limited</li> <li>Mayfair Hotels and Resorts Limited</li> <li>ARSS Infrastructure Projects Limited</li> <li>IITL Projects Limited</li> <li>IIT Insurance Broking and Risk Management Pvt. Ltd.</li> <li>Vipul Limited.</li> <li>World Resorts Limited</li> <li>Capital Infraprojects Private Limited.</li> <li>MRG Hotels Pvt. Limited</li> <li>T.K. International Limited</li> <li>Reliance Capital Limited</li> </ol>	NIL
Committee position held in other companies	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>Swaraj Engines Limited</li> <li>Cox &amp; Kings Limited</li> <li>Asahi Industries Limited</li> <li>IIT Insurance Broking and Risk Management Private Limited</li> </ol> <b>Share Transfer and Grievance Committee</b> <ol style="list-style-type: none"> <li>Cox &amp; Kings Limited</li> </ol>	<b>Audit Committee</b> <ol style="list-style-type: none"> <li>ARSS Infrastructure Projects Limited</li> <li>Mayfair Hotels and Resorts Limited</li> <li>Vipul Limited</li> <li>Reliance Capital Limited</li> <li>Surana Industries Limited</li> <li>World Resorts Limited</li> <li>T.K. International Limited</li> </ol> <b>Share Transfer and Grievance Committee</b> <ol style="list-style-type: none"> <li>ARSS Infrastructure Projects Limited</li> <li>Reliance Capital Limited</li> </ol>	NIL
No. of shares held in the company	NIL	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 6 AND 7 OF THE ACCOMPANYING NOTICE DATED AUGUST 01, 2013**

**Item No.6**

Mr. Subhash C. Bhargava was appointed as an Additional Director by the Board of Directors on January 28, 2013. Mr. Subhash C. Bhargava holds the office of Director only upto the date of forthcoming Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received by the Company from a member proposing the appointment of Mr. Subhash C. Bhargava as a Director of the Company. The Board recommends the appointment of Mr. Subhash C. Bhargava to the office of Director.

Except Mr. Subhash C. Bhargava, no other Director is, in any way, concerned or interested in this Resolution.

**Item No.7**

The Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on November 03, 2012, had unanimously approved re-appointment and the remuneration payable to Dr. B. Samal as Executive Chairman of the Company for a further period of 3 years w.e.f. January 24, 2013 to January 23, 2016.

In view of the increased responsibilities shouldered by Dr. B. Samal, as the Executive Chairman of the flagship company of the IITL Group and taking into account its size, net worth, profits and other relevant factors, the Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on August 01, 2013, has proposed to increase the remuneration payable to Dr. B. Samal, Executive Chairman, with effect from August 01, 2013 to January 23, 2016, being the remaining period of his term. The proposed increase in remuneration is also within the limits prescribed under Schedule XIII of the Companies Act, 1956.

**Disclosures as required by Schedule XIII Part II Section II – Paragraph 1 (B)**

**I. GENERAL INFORMATION**

- (1) **Nature of Industry** : Investment Company registered as Non-Banking Finance Company with the Reserve Bank of India.
- (2) **Date or expected date of commencement of commercial production** : Certificate of Commencement of Business dated 10.11.1933.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** : N.A.
- (4) **Financial performance based on given indicators** : Financial performance of the company during last five years.

Amt. In Rs.

Financial Parameters	Financial Year				
	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010	2008 - 2009
Total Revenue	144,941,398	125,650,534	102,006,446	194,290,535	177,078,185
Net Profits under Section 349 of the Companies Act, 1956	115,581,581	24,090,060	20,514,901	23,083,915	30,641,591
Net Profit after tax as per Statement of Profit and Loss	85,639,804	38,669,533	40,627,231	137,775,166	51,318,096
Amount of Equity Dividend Declared	29,703,311	15,000,000	15,000,000	15,000,000	10,000,000
Rate of Dividend %	15.00	15.00	15.00	15.00	10.00

- (5) **Export performance and net foreign exchange earnings & collaborations** : The company is not engaged in export business. It does not have any foreign collaboration.

- (6) **Foreign investments or collaborations, if any** : None



## II. **INFORMATION ABOUT THE APPOINTEE :**

- (1) **Background details :** Dr. B. Samal is on the Board of the Company since March 2008. His educational qualifications are M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune. He has more than 33 years of experience in the areas of Banking – Rural Credit, HRD, Security related Market and Industrial Finance. He has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India. He was also a member of Securities Appellate Tribunal (SAT).

The Company's financial performance and activities have grown steadily under his stewardship.

Dr. B. Samal attained the age of 70 years on March 02, 2013. As per the provisions of Schedule XIII – Part I – Clause c (ii), approval of the Central Government is required unless the re-appointment and remuneration is approved by the shareholders by a Special Resolution in the General Meeting.

- (2) **Past remuneration :**

Year	Salary	Perquisites	Commission	Others (P.F)	Total
2010-2011	21,00,000	-	-	2,52,000	23,52,000
2011-2012	21,00,000	-	-	2,52,000	23,52,000
2012-2013	21,00,000	-	-	2,52,000	23,52,000

- (3) **Recognition or Awards :** Seva Ratna awarded by his Excellency Governor of West Bengal.

- (4) **Job Profile and his suitability :**

Dr. B. Samal as Executive Chairman looks after the overall management and day-to-day operations of the Company. He plays an active role in business strategy and business development of the Company and its subsidiary / associate companies.

Considering his qualifications, vast experience and deep knowledge of the business in which the company operates and the contribution made by him towards the growth of the Company, the remuneration proposed is justified. Considering education and experience of Dr. B. Samal, his appointment on the Board as Executive Chairman would help the Company for future growth and expansion.

- (5) **Remuneration proposed :** Given elsewhere in the Explanatory Statement for Item No. 7 of the Notice.
- (6) **Comparative remuneration profile :** The remuneration proposed to be paid to him is most reasonable considering the size of the company, the type of industry and his position and profile.
- (7) **Pecuniary relationship :** Besides the remuneration being paid to him as the Executive Chairman, he does not have any other pecuniary relationship with the company or any other managerial personnel.

The Board of Directors believe that his re-appointment as Executive Chairman is in the interest of the Company and therefore recommends the resolution for your approval.

Pursuant to Section 302 of the Companies Act, 1956, an abstract of his re-appointment was sent to the shareholders of the Company on November 09, 2012. With regard to the increase in the remuneration, the particulars mentioned above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Except Dr. B. Samal, no other Director is, in any way, concerned or interested in this Resolution.

By Order of the Board of Directors  
For **Industrial Investment Trust Limited**

Cumi Banerjee  
CEO & Company Secretary

Mumbai : August 01, 2013

**Registered Office :**

14E, Rajabhadur Mansion, 2<sup>nd</sup> Floor,  
28, Bombay Samachar Marg, Mumbai 400 001



## DIRECTORS' REPORT

Your Directors are pleased to present the Eightieth Annual Report of the Company, together with the Audited Statements of Accounts for the year ended March 31, 2013

	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
--	------------------------------	-------------------------------

## FINANCIAL RESULTS

(a) Total Income	1449.41	1256.50
Profit before Depreciation	1080.32	493.83
Less : Depreciation	9.31	8.64
Profit before Tax	1071.02	485.19
Less : Provision for Tax	214.62	98.49
	856.40	386.70
Add : Balance of Profit brought forward from the previous year	3357.23	3232.93
Amount available for appropriation	4213.63	3619.63
(b) From this, the Directors have transferred to:		
Special Reserve	171.28	77.34
General Reserve	42.82	19.34
(c) (i) The Directors recommend payment of Dividend at the rate of ₹ 1.50 per equity share (previous year ₹ 1.50 per equity share) on 20,777,550 equity shares (previous year 10,000,000 equity shares) of ₹ 10/- each which will absorb	297.03	150.00
(ii) The Directors recommend payment of Dividend at the rate of ₹ 1.00 per CCPS (previous year Nil) on 1,770,000 (previous year Nil) CCPS of ₹ 10/- each which will absorb	12.24	-
Tax on proposed Dividend	52.56	15.72
(d) Leaving a balance to be carried forward	3637.70	3357.23

## OPERATING RESULTS

The Company has earned pre-tax profit of ₹1,071.02 lakhs during the year as compared to ₹485.19 lakhs in the previous year. The

Revenue from operations during the year was ₹1,444.97 lakhs compared to ₹ 456.18 lakhs in the previous year. The major portion of the Revenue is from interest income earned during the year. Provision of ₹ 86 lakhs has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 75.79 lakhs in the previous year.

## DIVIDEND

Your Directors are pleased to recommend dividend for the financial year 2012-2013 on

- the Compulsorily Convertible Preference Shares (CCPS) of the face value of ₹ 10/- each on pro-rata basis at the rate of ₹ 1/- (i.e.10%) per CCPS of the Company ; and
- the Equity Shares of the Company of face value of ₹ 10/- each at the rate of ₹1.50 (i.e.15%) per Equity Share of the Company (which includes 97,77,550 underlying Equity Shares issued against Global Depository Shares (GDS) and 10,00,000 Equity Shares issued upon conversion of CCPS on pro-rata basis).

The dividend together with the tax on dividend, will absorb a sum of ₹.361.83 lakhs.

## CHANGE IN CAPITAL STRUCTURE

During the year, the Company issued and allotted 27,70,000, 10% Compulsorily Convertible Preference Shares (CCPS) of ₹10/- each on preferential basis to the promoters namely N. N. Financial Services Private Limited and Nimbus India Limited at a price of ₹ 350/- (including premium of ₹ 340/-) out of which on March 23, 2013, the allottees sought conversion of part of the CCPS and consequently 10,00,000 Equity Shares were allotted on conversion of 10,00,000, 10% CCPS.

Consequent upon issue and allotment, as aforesaid, during the period under review, the paid-up share capital of the Company increased from ₹ 19,77,75,500/- to ₹ 22,54,75,500/-, divided into 2,07,77,550 Equity Shares of ₹ 10/- each and 17,70,000 CCPS of ₹ 10/- each. The Company has received the Listing approval from Bombay Stock Exchange Limited for the said Equity Shares. However the Company is awaiting the Listing approval from National Stock Exchange of India Limited.

## USE OF PROCEEDS FROM GDR AND CCPS ISSUE

In June 2012, the Company raised ₹ 33776.07 lakhs through issue of 48,88,775 Global Depository Receipts. To meet the eligibility criteria of the funds required for entering into an insurance business, in October 2012, the Company raised additional funds of ₹ 96.95 lakhs through issue and allotment of 27,70,000, 10% CCPS. The Company has entered into a Share Purchase Agreement (SPA) with Pantaloon Retail (India) Limited (Now known as Future Retail Limited) for acquisition of its 22.50% stake in Future Generali India Life Insurance Company Limited (FGILICL) with an option to acquire an additional 1.50% shares

thereby increasing its holding to a maximum of 24%, subject to the terms and conditions of the SPA. The Company has given advance of ₹ 2,50,00,00,000/- (Rupees Two Hundred and Fifty Cores Only) against the proposed investments to Pantaloon Retail (India) Limited. The said acquisition is subject to the approval of the Reserve Bank of India, Insurance Regulatory and Development Authority and Competition Commission of India. The Company has received approval from Competition Commission of India and is awaiting approval from Reserve Bank of India & Insurance Regulatory and Development Authority.

## INVESTMENTS

Your Company is an investment company, with a long term view of its portfolio. Besides making investments in quoted and unquoted securities, the Company makes investments in fixed deposits with renowned banks, units of mutual funds. Your Company also gives loans to its group companies and other entities / body corporates.

Investment portfolio is reviewed periodically and appropriate restructuring is done keeping in mind the market environment. Since mutual funds are subject to market risks and prone to risk due to fluctuation in NAVs, proper assessment is done while making investments in mutual funds.

The details of the Company's investments, including a portfolio summary and analysis of securities held are given in Note Nos. 2.8 and 2.10 to the Balance Sheet as on March 31, 2013. The loans to subsidiaries and other entities within the group and interest income on the same are disclosed in Note No. 2.21 to the Balance Sheet as on March 31, 2013.

The market value of the Company's quoted investments, other than subsidiaries, as on March 31, 2013 was ₹ 510.01 lakhs, as compared to its cost of ₹ 1,862.10 lakhs. However, total provision of ₹ 783.63 lakhs made towards permanent diminution in value of investments has been considered adequate in view of investments being long term. During the year, the Company invested ₹2,730.92 lakhs in mutual funds and ₹ 6,000 lakhs in preference shares.

## CAPITAL ADEQUACY RATIO

Your Company's capital to Risk Assets Ratio (CRAR) calculated in line with Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions") stood at 124.59% above the regulatory minimum of 15%. Your Company's asset size is ₹ 528 crores. The Company has received a certificate from the Auditors of the Company, M/s. Deloitte Haskins and Sells, Chartered Accountants, pursuant to Non-Banking Financial Companies Auditors' Report (Reserve Bank of India) Directions, 2008 confirming compliance of the conditions with respect to Systemically Important Non-Deposit taking Non-Banking Financial Companies.

## SUBSIDIARY COMPANIES

### IIT Investtrust Limited (IITIL)

IITIL's core business activities are Stock Broking, Depository facilities and Arbitrage. The other activities of the Company are Advisory & Consultancy services to various body corporates.

It is taking strenuous efforts to develop a strong clientele and widen its network and has also initiated steps to establish Franchisee across the country.

### IITL Projects Limited - (IITLPL) (Formerly known as Indo Green Projects Limited)

The Company has made an investment of ₹ 35,00,00,000/- in 70,00,000, 12% Non-Convertible Cumulative Redeemable Preference Shares of face value of ₹ 10/- each issued at a price of ₹ 50/- per share i.e. including premium of ₹ 40/- per share of IITLPL. The Company is a ISO 9001:2008 Certified Company.

IITLPL is engaged in Real Estate business, construction of residential complexes in the National Capital Region ((NCR). It has acquired plots of land on long term lease, under Builders Residential Scheme (BRS) of the Greater Noida Industrial Development Authority (GNIDA), New Okhala Industrial Development Authority (NOIDA) and Yamuna Expressway Authority (YEA).

Apart from constructing its own project, IITLPL has also undertaken projects through four Special Purpose Vehicle (SPV) i.e three partnership firms and one private limited company. The total lease hold area allotted to the Company alongwith SPV's is around 2,65,000 sq. meters and total number of flats under various stages of construction are around 9000.

### Projects Owned by IITLPL:

**Express park View I :-** IITLPL had been allotted land admeasuring 10043.31Sq.m. by Greater Noida Industrial Development Authority (GNIDA) under BRS Scheme. A complex of 334 apartments of 2/3 BHK types in 4 high rise buildings, under the name and style of the Express Park View, is under construction. The project marketed jointly with Nimbus Projects Ltd is scheduled to be completed in 2013. The structural work of the Project is completed and finishing work is in progress.

### Projects Owned by IITLPL alongwith SPV's:

**The Hyde Park :-** In consortium with Nimbus Projects Limited and Supertech Limited, a Special Purpose Partnership Firm was incorporated as 'IITL NIMBUS THE HYDE PARK NOIDA'. The SPV has undertaken construction of 2044 apartments in 23 high rise buildings, on a land of around 60348.53 Sq.m. allotted on 90 years lease by Noida Authority. It is scheduled to be completed in two phases, first phase by 2013-14 and the second by 2014-15.

**The Golden Palms :-** The Golden Palms project comprising of 1408 apartments in 14 high rise buildings, is coming up on a land admeasuring around 39999.76 Sq.m. allotted on 90 years lease by NOIDA. It is scheduled to be completed by 2014-15. This project