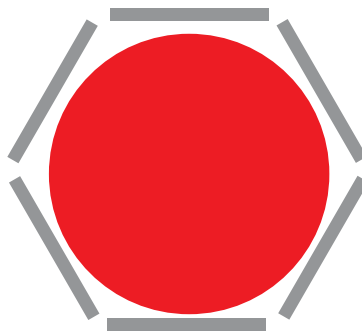


# **INDUSTRIAL INVESTMENT TRUST LIMITED**

77th  
Annual Report  
2009-2010



**IITL** GROUP

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**INDUSTRIAL INVESTMENT TRUST LIMITED**

<b>BOARD OF DIRECTORS</b>	:	Dr. B. Samal	- <i>Executive Chairman</i>
		Mr. Bipin Agarwal	
		Mr. T. M. Nagarajan	
		Mr. R. K. Mittal	
		Mr. R. S. Loona	
		Mr. Venkatesan Narayanan	
		Mr. P. K. Rath	- <i>Nominee of LIC of India</i>
		Ms. Cumi Banerjee	- <i>CEO &amp; Company Secretary</i>
<b>BANKERS</b>	:	Axis Bank Limited	
		ICICI Bank Limited	
		Union Bank of India	
		IndusInd Bank Ltd.	
		Bank of Baroda	
<b>AUDITORS</b>	:	Deloitte Haskins & Sells	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	Link Intime India Private Limited	
		C-13, Pannalal Silk Mills Compound LB.S. Marg, Bhandup (W) Mumbai 400 078	
<b>REGISTERED OFFICE</b>	:	14E, Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg Mumbai 400 001	

## NOTICE

NOTICE is hereby given that the Seventy Seventh Annual General Meeting of the Members of the Company will be held at **M.C. Ghia Hall, 2<sup>nd</sup> floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Friday, September 17, 2010 at 3:30 p.m.** to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors.
2. To declare dividend for the year ended March 31, 2010.
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. T.M. Nagarajan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Deloitte Haskins & Sells (Registration No. 117365W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

## SPECIAL BUSINESS

### 6. Increase in Authorised Share Capital

To consider, and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a), 97 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore and Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the existing Clause 5 of the Memorandum of Association with respect to capital clause be and is hereby deleted and in its place the following Clause 5 be substituted:

- '5. The Authorised Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.'

RESOLVED FURTHER THAT Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T.M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary of the Company be and are hereby severally authorized to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms with the Registrar of Companies, Mumbai in order to give effect to the above resolution."

### 7. Alteration of Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 3 of the Articles of Association of the Company be and is hereby amended to read as follows:

- '3. The Authorised Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.'

RESOLVED FURTHER THAT Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T.M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary of the Company be and are hereby severally authorized to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms with the Registrar of Companies, Mumbai in order to give effect to the above resolution."

### 8. Approval under Section 81(1A) of the Companies Act, 1956

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act") (including any statutory modification or re-enactment thereof for the time being in force), read with the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into with the Bombay Stock Exchange Limited and the Listing Agreement proposed to be entered into with the National Stock Exchange of India Limited, where the Company's equity shares are listed / proposed to be listed and subject to the approval to the extent necessary of the Government of India, Securities and Exchange Board of India ("SEBI"), Foreign Investment Promotion Board ("FIPB"), Reserve Bank of India ("RBI") and all other concerned statutory and other authorities and to the extent necessary, such other approvals, consents,

permissions, sanctions and the like, as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which shall include a duly authorized Committee thereof for the time being exercising the powers conferred upon it by the Board), consent of the Members in this 77th Annual General Meeting be and is hereby granted, and the Board be and is hereby authorized to offer, issue and allot equity shares of the face value of Rs. 10/- (Rupees Ten Only) each, ranking *pari-passu* with the existing equity shares of the Company (the **"Equity Shares"**), at par or at a premium, and / or warrants (whether attached to any security or not) with an option exercisable by the warrant-holder to subscribe for equity shares / equity linked securities and / or bonds, debentures or other securities convertible into equity shares or other non-convertible securities (hereinafter collectively referred to as the **"Securities"**) at such price, in such manner so however that the total amount to be raised including amount of securities premium by such offerings shall not exceed Rs. 350 Crores (Rupees Three Hundred and Fifty Crores Only) (the **"Issue"**); to such person or persons, who may or may not be the Members of the Company and as the Board may at its sole discretion decide, including one or more of the Members, qualified institutional buyers and such other persons in one or more combinations thereof and / or any other categories of investors, whether they be holders of equity shares of the Company or not, through a Qualified Institutional Placement in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or otherwise, in one or more tranches and in the manner, and on the terms and conditions as the Board may in its absolute sole discretion decide including the price at which the securities are to be issued, at par or at premium and for cash or other consideration and the decision to determine the category or categories of investors to whom the offer, issue and allotment / transfer shall be made to the exclusion of all other categories of investors on such terms and conditions as may be finalized by the Board and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit;

RESOLVED FURTHER THAT all the new equity shares as aforesaid to be issued and allotted in the manner aforesaid shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu inter-se* in all respects with the then existing Equity Shares of the Company;

RESOLVED FURTHER THAT the Board, including any Committee or Sub - Committee be and is hereby authorized to make any alteration, addition or vary any of the above said clauses, in consultation with the book running lead manager who shall be appointed for the purposes of the Issue or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure;

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Foreign Exchange Management Act (**"FEMA"**), 1999, the Companies Act, 1956, all other applicable laws, rules, regulations, guidelines, such approvals, consents and permissions of the Government of India, RBI and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board, consent of the Company be and is hereby accorded for investment in the equity shares and / or securities of the Company by Foreign Institutional Investors (**"FIIs"**) including their sub-accounts registered with the Securities and Exchange Board of India (**"SEBI"**) up to the sectoral cap as applicable or upto such other limit as may be permitted by law and approved by the Board of Directors of the Company;

RESOLVED FURTHER THAT: -

1. All the monies received out of the issue of securities to the investors shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
2. Details of all monies utilised out of the Issue referred to in sub-item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and
3. Details of all un-utilised monies out of the issue of securities, if any, referred to in sub-item 1 above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such un-utilised monies have been invested;

RESOLVED FURTHER THAT over subscription to the extent of 10% of the Issue be retained for the purpose of rounding off while finalizing the basis of allotment;

RESOLVED FURTHER THAT such of these equity shares and / or securities and / or warrants to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute sole discretion may think most beneficial to the Company including offering or placing them with Banks / Financial Institutions / Investment Institutions / Mutual Funds / Foreign Institutional Investors / Bodies Corporate / such other persons or otherwise as the Board may in its absolute sole discretion decide;

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board be and is hereby authorized, on behalf of the Company, to decide and approve the terms and conditions of the Issue and shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the Issue, as it may consider expedient and to do all such acts, deeds, matters and things, as it may in its absolute sole discretion deem necessary, proper, desirable and to settle any question, difficulty or doubt that may arise in regard to the above offer, issue and allotment and utilisation of the proceeds of the Issue, to liaise with regulatory

authorities and further to do all such acts, deeds, matters and things and to negotiate and finalize all such deeds, documents and writings as may be necessary, desirable or expedient to give effect to the above resolution and to negotiate terms, appoint advisor(s), book running lead manager(s), registrar(s), any other intermediary / intermediaries registered with SEBI, legal counsel or legal experts, advertising agents / agencies, consultants and to pay any fees, commission, remuneration, incur expenses and take such further steps as may be required necessary, incidental or ancillary for the allotment and listing of the aforesaid equity shares on the Stock Exchanges where the Company's equity shares are listed / proposed to be listed, as may be decided by the Board, and to make such modifications without being required to seek further consents or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company, at its discretion, to give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, deem necessary, proper, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing, without being required to seek further consents or approvals of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board and / or any Committee of the Board, be and is hereby authorised to take such action, give such directions, as may be necessary or desirable to give effect to this resolution and to do all such acts, matters, deeds and things, including but not limited to the allotment of equity shares and / or securities against the valid applications received in the Issue, as are in the best interests of the Company;

RESOLVED FURTHER THAT Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T. M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary of the Company be and are hereby severally authorized to execute and sign the documents including consent letter, power of attorney, certificates etc., as may be required in connection with the above;

RESOLVED FURTHER THAT for the purposes of giving effect to the proposed Issue of the Company, the Board may carry out all the requisite activities either by itself or through a committee consisting of such members as may be deemed fit by the Board;

RESOLVED FURTHER THAT Dr. B. Samal, Chairman of the Company and / or Mr. Bipin Agarwal, Director of the Company and / or Mr. T. M. Nagarajan, Director of the Company and / or Ms. Cumi Banerjee, CEO and Company Secretary be and are hereby severally authorized to file the required forms with the Registrar of Companies, and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

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

Cumi Banerjee  
CEO & Company Secretary

Mumbai : July 20, 2010

**Registered Office :**  
14E, Rajabhadur Mansion, 2<sup>nd</sup> 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 relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 8, 2010 to Friday, September 17, 2010 (both days inclusive).

4. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 16, 2010 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 September 7, 2010 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 September 7, 2010.

5. 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.

6. 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.

7. 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 the dematerialised form, they must quote their Client ID Number and DP ID Number.

8. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.

9. 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.

10. 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, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur - 400 614.

11. 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). The Company has therefore, transferred unclaimed dividend on August 28, 2009 for the year ended March 31, 2002 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 2002-2003 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.**

12. 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 of the Company.



**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	<b>Dr. B. Samal</b>	<b>Mr. T. M. Nagarajan</b>	<b>Mr. P.K. Rath</b>
Date of Birth	02.03.1943	14.9.1942	20.08.1956
Nationality	Indian	Indian	Indian
Date of Appointment	05.03.2008	5.3.2008	12.10.2009
Qualifications	M.Sc. (Ag.), Ph.D. (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune	M.Com, CAIIB	M.A.
Expertise in specific functional areas	He has more than 30 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 started his career with Reserve Bank of India. Thereafter joined IDBI and eventually became its Dy. Managing Director. Also, he has served as long-term Advisor to Nigerian Bank at Lagos, Nigeria. Upon retirement from IDBI, he was appointed as a Whole Time Member of Securities and Exchange Board of India. At present, he is a free lance Management Consultant.	He has over 15 years of experience in marketing and real estate.
Directorships held in other companies	<ol style="list-style-type: none"> <li>1. Surana Industries Limited</li> <li>2. Zicom Electronic Security Systems Limited</li> <li>3. Mayfair Hotels and Resorts Limited</li> <li>4. ARSS Infrastructure Projects Limited</li> <li>5. Shriram Life Insurance Company Limited</li> <li>6. IIT Investrust Limited</li> <li>7. Indo Green Projects Limited</li> <li>8. Money Matters Financial Services Limited</li> <li>9. Reliance Capital Limited</li> <li>10. Jaiprakash Associates Limited</li> <li>11. Jaypee Infratech Limited</li> <li>12. Jaypee Karchem Hydro Corporation Limited</li> <li>13. Shrijee Foundation (Charitable Trust)</li> </ol>	<ol style="list-style-type: none"> <li>1. Indbank Merchant Banking Services Limited</li> <li>2. Karn Merchant Bankers Limited</li> <li>3. IIT Investrust Limited</li> <li>4. Indo Green Projects Limited</li> <li>5. Alpha Capital Management Private Limited</li> <li>6. IIT Insurance Broking and Risk Management Private Limited</li> <li>7. IDBI MF Trustee Company Limited</li> </ol>	NIL
Committee position held in other companies	<p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Mayfair Hotels and Resorts Limited</li> <li>2. ARSS Infrastructure Projects Limited</li> <li>3. IIT Investrust Limited</li> <li>4. Money Matters Financial Services Limited</li> <li>5. Surana Industries Limited</li> <li>6. Shriram Life Insurance Company Limited</li> <li>7. Jaypee Karchem Hydro Corporation Limited</li> </ol> <p><b>Share Transfer and Grievance Committee</b></p> <ol style="list-style-type: none"> <li>1. Indo Green Projects Limited</li> <li>2. ARSS Infrastructure Projects Limited</li> </ol>	<p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Indbank Merchant Banking Services Limited</li> <li>2. IIT Investrust Limited</li> <li>3. IDBI MF Trustee Company Limited</li> </ol>	NIL
Shareholding of Directors	NIL	NIL	NIL





**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 6, 7 AND 8 OF THE ACCOMPANYING NOTICE DATED JULY 20, 2010**

**Item Nos. 6 & 7: Increase in Authorised Share Capital & Alteration of Articles of Association of the Company**

The Authorised Share Capital of the Company presently stands at Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore and Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each. To meet the growing needs of capital and with a view to augment long term financial resources for funding its growth, acquisition plans, meeting working capital requirements, other business ventures which requires the raising of funds through issue of Equity Shares through Qualified Institutions Placement or under different options etc., it is desirable to increase the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) by addition of 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each, which will rank *pari passu* in all respects with the existing Equity Shares in the Company. The proposed increase of the Authorised Share Capital of the Company requires the approval of the Members in General Meeting. Consequent upon the increase in Authorised Share Capital of the Company, its Memorandum of Association and Articles of Association will require alteration so as to reflect the increase in Authorised Share Capital.

Your Directors states that the additional share capital increased shall rank *pari passu* with the existing share capital of the Company.

Your Directors, therefore, recommend the resolutions for your approval.

None of the Directors is in any way concerned or interested in the proposed resolutions.

**Item No. 8: Approval under Section 81(1A) of the Companies Act, 1956**

The Company is in the business of *inter alia* directly or through its subsidiaries, investment and finance. It is proposed to raise funds by issuing equity shares and / or other securities to meet the

growing needs of capital and with a view to augment long term financial resources for funding its growth, acquisition plans, meeting working capital requirements, other business ventures, etc.

In terms of Section 81(1A) of the Companies Act, 1956, issue of shares to persons other than the existing shareholders of the Company requires approval of the shareholders in a General Meeting by way of Special Resolution.

The Directors recommend to the shareholders for passing as a Special Resolution, the authorizing of the Board of Directors (which shall include and be deemed to include a duly authorized committee or a sub-committee of the Board of Directors) to decide the terms and conditions of the issue, the number of shares and / or securities to be issued, the price of the issue i.e. at par or at premium, the category or categories of investors to whom the offer, issue and allotment shall be made and to finalize all matters incidental thereto as it may in its absolute discretion think fit.

The equity shares proposed to be issued shall rank *pari passu* with the existing equity shares of the Company and shall rank at par, for all the purpose that is to say dividend, voting and all other rights and liability as attached to the existing equity shares in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company.

Your Directors consider the said resolution in the interest of the Company and therefore recommend the same for your approval.

None of the Directors of the Company are concerned or interested in this resolution except to the extent of the new shares that they may apply for and be allotted to them in terms of this resolution.

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

Cumi Banerjee  
CEO & Company Secretary

Mumbai : July 20, 2010

**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 Seventy Seventh Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2010.

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
<b>FINANCIAL RESULTS</b>		
(a) Total Income	1954.91	1770.78
Profit / (Loss) before Depreciation	1718.42	610.90
Less : Depreciation	7.51	9.66
Profit / (Loss) before Tax	1710.91	601.24
Less : Provision for Tax	333.16	88.06
	1377.75	513.18
Add : Balance of Profit / (Loss) brought forward from the previous year	2244.78	1964.59
Amount available for appropriation	3622.53	2477.77
(b) From this, the Directors have transferred to:		
Special Reserve	275.56	103.00
General Reserve	68.89	13.00
(c) The Directors recommend payment of Dividend at the rate of Rs.1.50 per share (previous year Re.1/- per share) on 1,00,00,000 shares of Rs. 10/- each which will absorb	150.00	100.00
Tax on proposed Dividend	24.92	16.99
(d) Leaving a balance to be carried forward	3103.16	2244.78

### OPERATING RESULTS

The total income for the year under review amounted to Rs.1954.91 lakhs as compared to Rs.1770.78 lakhs in the previous year. The income also includes reversal of provisions made in the earlier years (i) Rs. 543.18 lakhs for doubtful loans to a subsidiary company and interest accrued thereon (previous year: Rs. 456.12 lakhs); (ii) Rs. 587.05 lakhs for diminution in the value of investments in a subsidiary company (previous year: Rs. Nil); and (iii) Rs. 227.15 lakhs for diminution in value of quoted investments (previous year: Rs.Nil).

### DIVIDEND

Your Directors are pleased to recommend payment of dividend of Rs.1.50 per equity share of Rs.10/- each (15%) on the Equity Share Capital of the Company. The dividend together with the tax on dividend, will absorb a sum of Rs.174.92 lakhs.

### LISTING OF EQUITY SHARES OF THE COMPANY ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Your Company has submitted an application to National Stock Exchange of India Limited for Listing of its Equity Shares and is awaiting the approval.

### 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 and inter-corporate deposits.

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, the 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 Schedule "D" to the Balance Sheet as on March 31, 2010.

Due to the global financial crisis and a sharp decline in the domestic capital markets, there was erosion in the value of the Company's investment portfolio. As a result of this, the market value of the Company's quoted investments as on March 31, 2010 was Rs. 2548.49 lakhs, as compared to its cost of Rs. 3189.81 lakhs. During the year, the Company invested Rs. 2936.37 lakhs in shares / mutual funds and sold / redeemed shares / mutual funds of book value of Rs. 2522.32 lakhs.

### SUBSIDIARY COMPANIES

#### IIT Investtrust Limited (IITIL)

During the year, IITIL has re-activated its Stock Broking business and obtained Registration Certificates from SEBI for both BSE and NSE stock broking operations. The Company commenced its operations on BSE Cash segment and NSE Capital and Derivative Market segments. It has also obtained registration as a Depository Participant of CDSL and commenced Depository operations.

IITIL has opened offices at Delhi and Chennai. It is also in the process of getting Institutional Empanelment.

#### Indo Green Projects Limited (IGPL)

Under the Builders Residential Scheme of Greater Noida Industrial Development Authority (GNIDA), IGPL has been allotted a Plot No. GH-10A, Sector Chi-V, Greater Noida admeasuring an area of 10,043.63 sq. mt. IGPL has received No Objection Certificate from Airport Authority of India and State Expert Appraisal Committee for Height Clearance and Environmental Clearance towards construction of its Project. IGPL is in the process of obtaining various approvals from GNIDA, Government and Semi Government agencies and other concerned authorities.