



IITL GROUP

Industrial
Investment
Trust
Limited

81st
Annual Report
2013 - 2014

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INDUSTRIAL INVESTMENT TRUST LIMITED
CIN: L65990MH1933PLC001998

BOARD OF DIRECTORS	:	Dr. B. Samal Mr. Bipin Agarwal Mr. R. S. Loona Mr. Venkatesan Narayanan Mr. Subhash Bhargava Mr. P. K. Rath Ms. Cumi Banerjee	- Chairman - Nominee of LIC India - CEO & Company Secretary
BANKERS	:	Axis Bank Limited ICICI Bank Limited Union Bank of India IndusInd Bank Ltd. HDFC Bank Limited	
AUDITORS	:	Deloitte Haskins & Sells Chartered Accountants	
REGISTRAR & SHARE TRANSFER AGENTS	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai 400 078 Tel: 022 25946970 - Investor Cell Email address: rnt.helpdesk@linkintime.co.in	
REGISTERED OFFICE	:	14E, Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001 Tel: 022 43250100 Email address: iitl@iitlgroup.com Website: www.iitlgroup.com	

NOTICE is hereby given that the Eighty First 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, August 30, 2014 at 2:30 p.m.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Preference Shares at the rate of 10%, absorbing a sum of ₹ 13,26,986/- for the year ended March 31, 2014.
3. To declare dividend on Equity Shares for the year ended March 31, 2014.
4. To appoint a Director in place of Mr. Bipin Agarwal (DIN: 00001276), who retires by rotation at this Annual General Meeting 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. **Approval for Limit of Borrowings under Section 180(1) (c) of the Companies Act, 2013**

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

“RESOLVED THAT in supersession of the Resolution passed at the 73rd Annual General Meeting of the Company held on September 01, 2006 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or any Committee thereof to borrow from time to time sums of money for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any

specific purpose, provided that the total amount of borrowing together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of ₹ 750 Crores (Rupees Seven Hundred and Fifty Crores Only) at any one time.”

7. **Appointment of Mr. R.S. Loona as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. R. S. Loona (DIN: 02305074), Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, with effect from August 30, 2014 up to the 86th Annual General Meeting of the Company to be held in 2019 for the year ended March 31, 2019.”

8. **Appointment of Mr. Subhash C. Bhargava as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Subhash C. Bhargava (DIN: 00020021), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, with effect from August 30, 2014 up to the 86th Annual General Meeting of the Company to be held in 2019 for the year ended March 31, 2019.”

9. **Appointment of Mr. Venkatesan Narayanan as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Venkatesan Narayanan (DIN: 00765294), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, with effect from August 30, 2014 up to the 86th Annual General Meeting of the Company to be held in 2019 for the year ended March 31, 2019.”

10. Approval for Related Party Transactions under Section 188 of the Companies Act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the existing related party transactions entered by the Company for renting of its office premises situated at Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai-400 001 to its subsidiaries with effect from April 01, 2014 on payment of rent and reimbursement of expenses upto the maximum limits as set out in the table hereunder:

Maximum Value of Contract / Arrangement / Transaction (Per Annum) w.e.f. April 01, 2014					
Particulars	Name of the Related Party				
	IIT Investment Limited	IIT Insurance Broking and Risk Management Private Limited	IITL Projects Limited	IIT Media and Entertainment Private Limited	IITL Corporate Insurance Services Private Limited
Relationship with the Related Party	Subsidiary	Wholly Owned Subsidiary	Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Transaction defined under Section 188 (1) of the Companies Act, 2013					
Leasing of Property of any kind (Rent paid / to be paid)	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-
Others (Reim- bursement of maintenance and all other expenses)	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-	₹ 5,00,000/-

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and /or committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto.”

By Order of the Board of Directors
For Industrial Investment Trust Limited
Cumi Banerjee
CEO & Company Secretary

Mumbai : July 25, 2014

Registered Office :

14E, Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg
Mumbai 400 001
CIN: L65990MH1933PLC001998
E-mail address: iitl@iitlgroup.com
Website: www.iitlgroup.com

NOTES

- 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.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.

- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 23, 2014 to Saturday, August 30, 2014 (both days inclusive).
- The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before September 28, 2014 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 22, 2014 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 22, 2014.
- 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, 2nd 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 2006-2007 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. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
 14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 15. **Process and manner for members opting for e-voting are as under:**
In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM.
The instructions for members for voting electronically are as under:-
I. **In case of members receiving e-mail:**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "INDUSTRIAL INVESTMENT TRUST LIMITED" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <INDUSTRIAL INVESTMENT TRUST LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Corporate / Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy:

- (A) User ID and initial password is provided in the admission slip for the AGM.
- (B) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

III. General Information

- (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Friday, July 25, 2014.
- (c) E-voting right cannot be exercised by a proxy.
- (d) **The voting period begins on Sunday, August 24, 2014 (9.00 a.m. IST) and ends on Tuesday, August 26, 2014 (6.00 P.M. IST).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 25, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (f) Ms. Chandanbala O. Mehta, Practising Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting procedure in a fair and transparent manner.
- (g) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (h) **The Results of the e-voting will be declared on or after the date of the AGM i.e. Saturday, August 30, 2014.** The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website www.iitlgroup.com under the section 'Investor Relations' and on the website of CDSL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

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. Bipin Agarwal	Mr. R.S. Loona	Mr. Subhash C. Bhargava	Mr. Venkatesan Narayanan
Date of Birth	01.11.1965	21.09.1951	20.07.1945	27.11.1955
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	08.01.2008	09.03.2009	28.01.2013	18.05.2009
Qualifications	B.Com. (Hons.), FCS	B.Sc., LLB	B.Com, FCA	B.Com.
Expertise in specific functional areas	He has vast and rich experience in the areas of Portfolio Management, Finance and matters related to Corporate Laws, Mergers and Acquisitions, Operations in Capital and Commodities Market.	He is a leading corporate lawyer with specialization in securities market, banking and finance, infrastructure projects, real estate and regulatory advice. He has served as an Executive Director (Law) of Securities & Exchange Board of India (SEBI) for a period of about 4 years. He has also had a long stint with IDBI, a principal financial institution and two commercial banks.	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 over 26 years of experience in Senior Management. He has consulting expertise in infrastructure segment covering roads, bridges, power, tourism, urban infrastructure.
Directorships held in other companies	<ol style="list-style-type: none"> Nimbus India Limited Nimbus Projects Limited Nimbus Multi Commodity Brokers Limited N.N. Financial Services Private Limited Urvashi Finvest Limited Gupta Fincaps Private Limited IITL Projects Limited IIT Insurance Broking and Risk Management Private Limited IIT Investtrust Limited IIT Media and Entertainment Private Limited Capital Infra Projects Private Limited World Resorts Limited MRG Hotels Private Limited 	<ol style="list-style-type: none"> IITL Projects Limited IIT Media & Entertainment Pvt. Ltd. India Infoline Trustee Company Ltd. Kesar Terminals & Infrastructure Limited MRG Hotels Private Limited Asset Reconstruction Company (India) Limited 	<ol style="list-style-type: none"> A.K. Capital Services Limited OTC Exchange of India Aditya Birla Nuvo Limited Escorts Limited Swaraj Engines Limited Jaiprakash Associates Limited Cox & Kings Limited Jaiprakash Power Ventures Limited Asahi Industries Limited Swaraj Automotives Limited GK Industrial Park Private Limited IIT Insurance Broking and Risk Management Private Limited Welworth Fin Invest Private Limited A.K. Finance Private Limited 	<ol style="list-style-type: none"> IITL Projects Limited IIT Investtrust Limited IIT Corporate Insurance Services Private Limited
Committee position held in other companies	Audit Committee <ol style="list-style-type: none"> IIT Investtrust Limited IIT Insurance Broking and Risk Management Private Limited World Resorts Limited 	Audit Committee <ol style="list-style-type: none"> IITL Projects Limited India Infoline Trustee Company Limited Kesar Terminals & Infrastructure Limited Share Transfer and Grievance Committee <ol style="list-style-type: none"> IITL Projects Limited 	Audit Committee <ol style="list-style-type: none"> Swaraj Engines Limited Cox & Kings Limited Asahi Industries Limited IIT Insurance Broking and Risk Management Private Limited Jaiprakash Associates Limited Escorts Limited Share Transfer and Grievance Committee <ol style="list-style-type: none"> Cox & Kings Limited Escorts Limited 	Audit Committee <ol style="list-style-type: none"> IITL Projects Limited IIT Investtrust Limited Share Transfer and Grievance Committee <ol style="list-style-type: none"> IITL Projects Limited
No. of shares held in the company	25,000	NIL	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 6 TO 10 OF THE ACCOMPANYING NOTICE DATED JULY 25, 2014

Item No.6

The members of the Company at their 73rd Annual General Meeting held on September 01, 2006 had accorded their approval under Section 293(1)(d) of the Companies Act, 1956 for borrowings over and above the aggregate of paid up share capital and free reserves of the Company up to Rs. 150 Crores (Rupees One Hundred and Fifty Crores).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 750 Crores (Rupees Seven Hundred and Fifty Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item Nos.7 to 9

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. R.S. Loona, Mr. Subhash C. Bhargava and Mr. Venkatesan Narayanan as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) of the Companies Act, 2013 which has come into force with effect from April 01, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Companies Act, 2013.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 01, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors from August 30, 2014 up to the 86th Annual General Meeting of

the Company to be held in 2019 for the year ended March 31, 2019.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

Mr. R.S. Loona

He is a leading corporate lawyer with specialization in securities market, banking and finance, infrastructure projects, real estate and regulatory advice. He has served as an Executive Director (Law) of Securities & Exchange Board of India (SEBI) for a period of about 4 years. He has also had a long stint with IDBI, a principal financial institution and two commercial banks.

Mr. R.S. Loona has been on the Company's Board since March 09, 2009 and is an Independent Director.

Mr. Subhash C. Bhargava

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.

Mr. Subhash C. Bhargava has been on the Company's Board since January 28, 2013 and is an Independent Director.

Mr. Venkatesan Narayanan

He has over 24 years of experience in Senior Management. He has consulting expertise in infrastructure segment covering roads, bridges, power, tourism, urban infrastructure.

Mr. Venkatesan Narayanan has been on the Company's Board since May 18, 2009 and is an Independent Director.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 to 9 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos.7 to 9 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their

respective relatives are concerned or interested in the Resolutions mentioned at Item Nos.7 to 9 of the Notice.

Item No.10

The provisions of Section 188(1) of the Companies Act, 2013 that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a company is Rs. 10 crores or more, the prior approval of shareholders by way of a Special Resolution:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

In the light of the provisions of Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-2015 and beyond.

The Company has rented out its office premises to its subsidiaries as mentioned in the resolution at Item No.10. The premise is located at prime location. The subsidiaries are occupying the premises as registered offices of their company. Considering the prevailing rentals and commercial terms in the vicinity, the subsidiaries are accordingly paying rent and reimbursing the expenses for the utility of the premises.

The management of these companies decided to occupy the premises on rental basis rather than purchasing a separate office. These subsidiaries are considered as Related Parties within the meaning of Section 2(76) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement. Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of the Companies (Meetings of Board and its Powers) Rules, 2014 prescribes certain procedure for approval of a Related Party Transaction. Clause 49 of the Listing Agreement also comes into operation for a Related Party Transaction. A combined reading of all these provisions and other applicable provisions suggest that in certain conditions, approval of Audit Committee, Board approval and Shareholders approval by way of Special Resolution is required for Related Party Transactions. Proviso to Section 188 also states that nothing in Section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. These transactions with the subsidiaries are based on prevailing market conditions hence on arm's length basis. However, in absence of any specific definition of term 'ordinary course of business', the Board thought it prudent to obtain approval of the shareholders for the said transactions.

The other related information as envisaged under the Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

- (a) Name of the related party and nature of relationship: **Provided in the resolution at Item No.10**

- (b) Nature, duration of the contract and particulars of the contract / arrangement / transaction:

Nature and duration of the arrangement: **Under the arrangement, the Company has rented out its office premises to its Subsidiaries on permanent basis for occupying it as their registered offices.**

Particulars of the arrangement: **Provided in the resolution at Item No.10**

- (c) Material terms of the contract of arrangement including the value, if any: **Provided in the resolution at Item No.10**
- (d) Any advance paid or received for the contract or arrangement, if any: **Nil**
- (e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: **All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis.**
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with rationale for not considering those factors: **All factors have been considered.**
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: **Nil**

Members are hereby informed that pursuant to second proviso of section 188(1) of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on July 25, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : July 25, 2014

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