
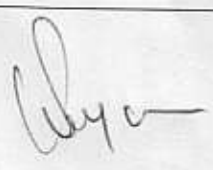
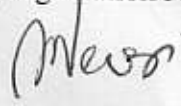


FORM A

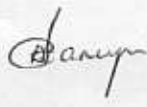

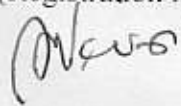
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Industrial Investment Trust Limited
2.	Annual Standalone financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Appeared first time
5.	To be signed by- <ul style="list-style-type: none"> • CEO & Company Secretary • Audit Committee Chairman • Auditor of the company 	<div style="text-align: center;">  </div> <hr/> <div style="text-align: center;">  </div> <hr/> <p>In terms of our report attached. on the Standalone financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Registration No. 117365W)</p> <div style="text-align: center;">  </div> <p>(Uday Neogi) (Partner) (Membership No. 30235) MUMBAI, 20th May, 2014</p>

SMV

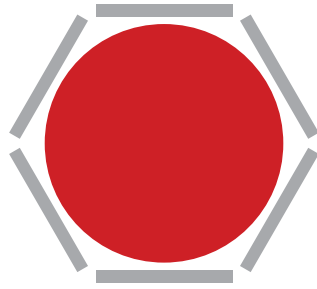
FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Industrial Investment Trust Limited
2.	Annual Consolidated financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Appeared first time
5.	To be signed by- <ul style="list-style-type: none"> • CEO & Company Secretary • Audit Committee Chairman • Auditor of the company 	<div style="text-align: center;">  </div> <hr/> <div style="text-align: center;">  </div> <hr/> <p>In terms of our report attached. on the <i>Consolidated</i> financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Registration No. 117365W)</p> <div style="text-align: center;">  </div> <p>(Uday Neogi) (Partner) (Membership No. 30235) MUMBAI, 20th May, 2014</p>

SM

Q



IITL GROUP

Industrial
Investment
Trust
Limited

81st
Annual Report
2013 - 2014

CONTENTS

	Page No.
Board of Directors	1
Notice	2 - 8
Directors' Report	9 - 12
Management Discussion and Analysis	13 - 14
Report on Corporate Governance	15 - 20
Auditors' Report on Corporate Governance	21
Auditors' Report of Standalone Financial Statements	23 - 25
Standalone Financial Statements	26 - 56
Auditors' Report of Consolidated Financial Statements	58
Consolidated Financial Statements	59 - 80
Attendance Slip and Proxy Form	
Ballot Form	

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

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.**

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.

2. 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).
3. 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.
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, 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.
------------------------	---

- (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

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

DIRECTORS' REPORT

Your Directors are pleased to present the Eighty First Annual Report of the Company, together with the Audited Statements of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
(a) Total Income	2026.84	1449.41
Profit before Depreciation	1698.18	1080.32
Less : Depreciation	8.48	9.30
Profit before Tax	1689.70	1071.02
Less : Provision for Tax	287.76	214.62
	1401.94	856.40
Add : Balance of Profit brought forward from the previous year	3637.70	3357.23
Add : Reversal of excess tax on dividend	52.56	-
Amount available for appropriation	5092.20	4213.63
(b) From this, the Directors have transferred to:		
Special Reserve	280.39	171.28
General Reserve	105.15	42.82
(c) (i) The Directors recommend payment of Dividend at the rate of ₹ 1.75 per equity share (previous year ₹ 1.50 per equity share) on 21,827,550 equity shares (previous year 20,777,550 equity shares) of ₹ 10/- each which will absorb	371.36	297.03
(ii) The Directors recommend payment of Dividend at the rate of ₹ 1.00 per CCPS (previous year ₹ 1.00 per CCPS) on 1,770,000 (previous year 1,770,000 CCPS) CCPS of ₹ 10/- each on pro rata basis which will absorb	13.27	12.24
Tax on proposed Dividend	65.37	52.56
(d) Leaving a balance to be carried forward	4256.66	3637.70

OPERATING RESULTS

The Company has earned pre-tax profit of ₹1,689.70 lakhs during the year as compared to ₹1,071.02 lakhs in the previous year. The Revenue from operations during the year was ₹ 2,019.04 lakhs compared to ₹ 1,444.97 lakhs in the previous year. The major portion of the Revenue is from interest income earned during the year. Provision of ₹ 72.00 lakhs has been made towards diminution

in value of quoted long-term investments of the company as compared to ₹ 86.00 lakhs in the previous year.

DIVIDEND

Your Directors are pleased to recommend dividend for the financial year 2013-2014 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 ₹ 1.75 (i.e.17.50%) per Equity Share of the Company (which includes 97,77,550 underlying Equity Shares issued against Global Depository Shares (GDS) and 10,50,000 Equity Shares issued upon conversion of 2nd tranche CCPS on pro-rata basis).

The dividend together with the tax on dividend, will absorb a sum of ₹ 450.00 lakhs.

CHANGE IN CAPITAL STRUCTURE

During the period under review, the Company has converted the outstanding 17,70,000, 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each issued and allotted on preferential basis to the promoters namely N. N. Financial Services Private Limited and Nimbus India Limited into 17,70,000 Equity Shares during the months of October 2013 and April 2014. The Equity Shares issued and allotted as above are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and have been admitted to dealings on both the Stock Exchanges.

Consequent upon issue and allotment, as aforesaid, during the period under review, the paid-up equity share capital of the Company stands increased to ₹ 22,54,75,500/- comprising of 2,25,47,550 Equity Shares of ₹ 10/- each.

USE OF PROCEEDS FROM GDR AND CCPS ISSUE

In June 2012, the Company had 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 ₹ 9695 lakhs through issue and allotment of 27,70,000, 10% CCPS.

The Company had entered into a Share Purchase Agreement (SPA) with Pantaloon Retail (India) Limited (Now known as Future Retail Limited) for acquisition of its 22.5% stake in Future Generali India Life Insurance Company Limited (FGILICL) with an option to acquire an additional 1.5% shares thereby increasing its holding to a maximum of 24%, subject to the terms and conditions of the SPA and had given an advance of ₹ 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores Only) against the proposed investment to Pantaloon Retail (India) Limited. The said acquisition was subject to the approval of the Reserve Bank of India, Insurance Regulatory and Development Authority and Competition Commission of India. Upon receipt of the necessary approvals from governmental and regulatory authorities, namely CCI, IRDA and RBI and payment of the balance purchase consideration of ₹ 90,00,00,000/- (Rupees Ninety Crores Only), the said transaction

was consummated on December 17, 2013. Post completion of the transaction, IITL holds 22.5% shares in FGILICL with the other shareholders. The entire proceeds from GDR Issue stands utilised towards the said acquisition.

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.

During the year under review, the Company has made an investment of ₹ 340 Crores for acquiring 22.5% equity stake in Future Generali India Life Insurance Company Limited (FGILICL), an Insurance Company which is into the business of Life Insurance.

The Company has incorporated a wholly owned subsidiary viz. IITL Corporate Insurance Services Private Limited (IITLCISPL) with an initial investment of ₹ 25 Lakhs in its equity share capital which shall undertake the business of Insurance (Life) as a Corporate Agent. IITLCISPL has entered into a Corporate Agency Agreement with FGILICL for undertaking the business of Insurance (Life) and the same is subject to approval of IRDA.

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, 2014. The loans to subsidiaries and other entities within the group and interest income on the same are disclosed in Note No. 2.23 to the Balance Sheet as on March 31, 2014.

The market value of the Company's quoted investments, other than subsidiaries, as on March 31, 2014 was ₹ 574.10 lakhs, as compared to its cost of ₹ 1,865.36 lakhs. However, total provision of ₹ 855.64 lakhs made towards permanent diminution in value of investments has been considered adequate in view of investments being long term.

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 87.69% above the regulatory minimum of 15%. Your Company's asset size is ₹ 532.63 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)

The Company is a BSE Listed Company and is an 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 project through four Special Purpose Vehicles (SPVs) i.e. three partnership firms and one private limited company. The total lease hold area allotted to the Company alongwith SPVs is around 2,65,000 sq. meters and total number of flats under various stages of construction are around 9000.

Project being developed by the Company:

Express Park View I: Your Company is pleased to apprise that its own project 'Express Park View-I' located at one of the prime location in Greater Noida at Yamuna Expressway Authority near pari chowki, admeasuring area of around 10043.31Sq.m is nearing completion. The process of handing over of the flats in one of the towers of the 4 towers has commenced and the possession for the balance will follow soon.

Projects being developed by the Company alongwith SPVs:

The Hyde Park: This project is located in Sector 78 of Noida and is adjoining a large cluster of premium Housing Projects on one side and green area on the other side. The lease hold area allotted to the project is around 60348.53 Sq.m.

It is scheduled to be completed in two phases. The structural work of Phase I consisting of 16 towers is completed and finishing work is in progress. Phase II consisting of 7 towers, the structural work is completed till the 15th floor. The possession of flats in Phase I of the project is scheduled to be delivered in August 2015 and phase II scheduled to be delivered in September 2016.

The Golden Palms: The project is located on Noida-Greater Noida Expressway at a very attractive location. The lease hold area allotted to the project is around 39999.76 Sq.m. The project is under construction and it is scheduled to be completed in three phases, the first phase by 2014-2015, second by 2015-2016 and third by 2016-2017.

Express Park View II: The project is located at Plot GH-10C, CHI-V, Expressway, Greater Noida. The lease hold area allotted to the project is around 52493.16 Sq.m. The Project is under construction and it is scheduled to be completed in three phases, the first phase by 2015-2016, second by 2016-2017 and third by 2017-2018.

The Golden Palm Village: The project is located at Sector 22A, Yamuna Expressway. The lease area hold area allotted to the project is around 102995.70 Sq.m. The excavation work has commenced alongwith pilling work. It is scheduled to be constructed in seven phases over a period of 10 years.

IIT Insurance Broking and Risk Management Private Limited (IIBRMPL)

IIBRMPL's total number of operational offices at the year end stood at 16 and had 129 employees on its pay roll. IIBRMPL organized insurance awareness camps in various parts of the country in order to promote Life and Non-Life Insurance business.

Based on the yearly performance of various branches and the decisions taken by the Audit Committee and the Board from time to time, the Board decided to restructure the business and also close certain non-performing branches. Ten branches were closed w.e.f. May 01, 2014 and the operations of the closed branches were merged with the remaining operative branches. It was also decided that the customers of the closed branches will be serviced by the remaining operative branches.

In view of the incorporation of IITL Corporate Insurance Services Private Limited, the Company decided to surrender Direct Broking License (Life) and continue with Non-Life business. The newly incorporated company has entered into a Corporate Agency Agreement with Future Generali India Life Insurance Company Limited for undertaking the business of Insurance (Life) and the same is subject to approval of IRDA.

IIT Media and Entertainment Private Limited (IMEPL)

IMEPL is a wholly owned subsidiary incorporated in 2010 to undertake the business of media and entertainment. The Company has yet not commenced any business and is scouting for making investment in some avenues in media and entertainment.

IITL Corporate Insurance Services Private Limited

In January 2014, the Company incorporated a wholly owned subsidiary namely IITL Corporate Insurance Services Private Limited (IITLCISPL) which shall undertake the business of Insurance (Life) as a Corporate Agent. The Company has made an investment of ₹ 25 Lakhs in equity share capital of IITLCISPL towards initial subscription.

IITLCISPL has entered into a Corporate Agency Agreement with Future Generali India Life Insurance Company Limited for undertaking the business of Insurance (Life) and the same is subject to approval of IRDA.

INVESTMENTS IN WORLD RESORTS LIMITED (WRL), AN ASSOCIATE COMPANY

The Company has acquired 25% stake in equity share capital of an unlisted public company, World Resorts Limited (WRL), which is into the business of hospitality and owns and operates a Five Star Resort by the name "Golden Palms Hotel & Spa" at Tumkur Road, Bangalore. Subsequent to the said acquisition, WRL becomes an Associate Company. WRL also has a 100% subsidiary viz., MRG Hotels Private Limited. It also manages and operates hotel under the Brand "Golden Palms".

CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

During the period under review, your directors have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of three members, Dr. B. Samal, Mr. Bipin Agarwal and Mr. Venkatesan Narayanan with Dr. B. Samal as the Chairman.

On recommendation of the CSR Committee, the Board has approved a Corporate Social Responsibility Policy (CSR Policy) which indicates the CSR activities to be undertaken by the Company. The CSR Committee is also responsible for monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of its subsidiary companies to its Annual Report. A general exemption from complying with the provision of Section 212 of the Companies Act, 1956 has been granted by the Ministry of Corporate Affairs to the companies vide its Circular No. 2/2011 dated February 8, 2011, provided that the company complies with the conditions stated in the circular. The Company has complied with all the conditions stated in the said circular for the financial year 2013-2014 for availing the said exemption. The Annual Report, therefore, does not contain the reports and other statements of the subsidiary companies. Upon request, the Company will make available the annual audited accounts and related information of the subsidiary companies to the investors of the Company. These documents will also be available for inspection during business hours at the registered office of the Company.

As required by Accounting Standard – 21 and Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of the Company and its subsidiaries are attached.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 205C of the Companies Act, 1956, a sum of ₹ 463,592/- lying with the Company as unclaimed dividend for the year 2005 - 2006 i.e. for a period of seven years from the date they became due for payment, were transferred during the period under review to the Investor Education and Protection Fund.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Bipin Agarwal and Mr. R.S. Loona, Directors retire at the ensuing Annual General Meeting.

The Company has appointed Mr. R.S. Loona, Mr. Subhash Bhargava and Mr. Venkatesan Narayanan as Independent Directors from time to time.

The Companies Act, 2013 provides for appointment of Independent Directors. Sub section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company.

Sub section (11) states that no independent director shall be eligible for more than two consecutive terms of five years. Sub section (13) states that the provisions of retirement by rotation as defined in sub sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The Company has received Notices in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidatures of Mr. R. S. Loona, Mr. Subhash Bhargava and Mr. Venkatesan Narayanan for the office of Independent Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief Resume of the Directors, nature of expertise in specific functional areas, names of companies in which the Directorship is held and the membership of the Committees of the Board and their shareholdings in the Company are given in the Notice for the ensuing Annual General Meeting.

AUDITORS' REPORT

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.117365W), who are the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company. It is proposed to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

M/s. Deloitte Haskins & Sells have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, forming part of this report, as required under Clause 49(IV)(F) of the Listing Agreement with the Stock Exchanges, is attached separately in this Annual Report.

CORPORATE GOVERNANCE

Your Company has been practising the principles of good

Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company, in terms of Clause 49(VI) of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and that they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2014;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

There are no Employees coming under the purview of Section 217 (2A) of the Companies Act, 1956 and therefore such information has not been disclosed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Your Company is not engaged in any manufacturing activities, and therefore, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy or technology absorption. During the year under review, the Company did not earn any foreign exchange and there was no expenditure in foreign exchange.

ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from business associates, banks, financial institutions, shareholders, various statutory authorities and society at large. Your directors also place on record, their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

On behalf of the Board of Directors,

Dr. B. Samal
Chairman
(DIN: 00007256)

Mumbai
Date: July 25, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO:

Global economy continued to encounter challenges for the financial year 2013-2014. The risks increased in view of prevailing issues regarding the US debt ceiling, Euro area sovereign debt crisis and slowdown in other emerging and developing countries.

The spill-over effects of US Fed Bank's policy announcement were felt by the developing economies in the form of large capital outflows, causing enormous pressure on domestic liquidity conditions and currency. These events hampered domestic policy stance and containing the volatility in exchange rates took precedence over other policy actions in most of the economies including India.

THE INDIAN ECONOMY:

The Financial Year 2013-2014 began with multifarious developments including elevation of inflation, heightened rupee volatility and worsening current account deficit apart from growth slowdown and sharp industrial contraction. However as the year progressed, especially from the third quarter onwards, there were firm signs of stability, partial easing of inflationary pressures and positive outlook towards growth. The Indian economy is estimated to have grown by 4.7 percent in F.Y. 2013-2014 a little lower than the government's earlier projection but marginally above 4.5 percent clocked in FY 2012-2013.

Manufacturing sector suffered from low investment sentiment, weak demand and policy bottlenecks. This is the first time since 1991-92 that India's manufacturing sector has contracted reflecting the stress confronting the sector. The service sector that accounts for nearly 60 percent of the economy grew by 6.9 percent, slightly slower than the previous year's expansion of 7.0 percent.

High and persistent inflation remained a key macro-economic challenge facing India throughout the year FY 2013-2014. Trade deficit reduced because of sharp fall in gold imports after the government raised import duty and made bullion imports unattractive. Confronted with a difficult macro-economic situation of slowing growth, high inflation and depreciating rupee, the government and the RBI had taken a number of corrective measures to support economic growth, imposed import duty on gold to bring down current account deficit and tightened exposure norms.

With rise in inflation because of steadily increasing fuel prices, combined with the rupee depreciation, severely limited the options before the RBI and government.

INDIAN CAPITAL MARKETS:

The unanticipated announcement of the unwinding of the stimulus measure by US Federal Reserve in May 2013 and the uncertainty in the timing of winding of Federal Reserve's Bond buying programme led to significant volatility in capital flows and the exchange rate specially in emerging markets with India being no exception. FII inflows during FY 2013-2014 stood at US \$8.9 billion as compared to US \$ 31 billion in FY 2012-13.

The domestic capital markets gradually picked up the momentum. Certain sectors were badly affected. The market barometer, BSE Sensex oscillated between 18000 to 21000. It registered historical levels for six consecutive trading days in March 2014 and touched a record high of 22386 on March 31, 2014.

The RBI which started its monetary policy easing in January 2013, reducing the repo rate by 25 basis points from 8 percent to 7.75 percent in Jan 2013 and further to 7.25 percent in May 2013, again began hiking its policy rate since September 2013 bringing back the repo rate again to 8 percent in January 2014 to align in tandem with market requirements.

BUSINESS PERFORMANCE:

The activities of the Company comprises of Investment in equity shares quoted as well as unquoted, units of mutual funds, Fixed deposits with renowned Banks, Inter-corporate Deposits and loans. The Board of Directors is apprised of the investments of the Company and it monitors the deployment of resources on regular basis.

Diversification is a form of growth strategy. Diversification by way of making investments into different lines of business can provide an effective path for growth. Business is diversified for various reasons. But the basic purpose of an organisation is survival and is also essential for a long term viability of the Company.

Your Company through its subsidiaries IITL Projects Limited is in the business of real estate, IIT Investtrust Limited is in the business of stock broking and IIT Insurance Broking and Risk Management Private Limited is in the business of Direct Insurance broking.

The Company had paid an advance of ₹ 250 Crore to Pantaloon Retail India Limited (now known as Future Retail Limited) to acquire 22.5 percent of its equity stake held in Future Generali India Life Insurance Company Limited (FGLICL). The Company had entered into Share Purchase Agreement, Joint Venture Agreement and other definitive agreements.

Upon approvals received from the regulatory authorities RBI, CCI and IRDA, the transaction was consummated on December 17, 2013. FGLICL has become a joint venture of the Company. In January 2014 the Company has incorporated a Wholly Owned Subsidiary namely IITL Corporate Insurance Services Private Limited to undertake the business of Corporate Agency of FGLICL. Corporate Agency Agreement along with other relevant documents have been submitted by FGLICL to Insurance and Regulatory Development Authority (IRDA).

The subsidiary Company IIT Insurance Broking And Risk Management Private Limited has filed application with IRDA for surrendering of Direct Broking License (Life). IIT Insurance Broking and Risk Management Private Limited will continue with the business of Non-Life.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate risk, market risk, credit risk, geo-political risk or uncertain economic conditions. Due to these risks there may be

lot of gyrations in the stock markets, on the investments of the Company. Besides that the equity markets become extremely volatile due to various other factors like policy changes, capital inflows/outflows etc. The Company manages these risks by maintaining conservative financial profile and by following prudent business and risk management practices. The subsidiaries of the company also manages their business risks by following proper risk management policies to avoid any adverse impact on the holding company. The Company manages the risks through proper frame work of policy and procedures approved by the Board of Directors from time to time.

The Company has made a substantial investment by acquiring stake in an Insurance Company as a Joint Venture participant. The insurance business is subjected to many risks like pricing risk, market-viability risk, asset related risk, lapse rates, mortality assumption risk or any other acquisition risks. Under the said circumstances, the Company is required to monitor the risks managed by the investee company in order to avoid adverse impact on the business of the Company.

FINANCIAL PERFORMANCE:

The Company has earned a profit after tax of ₹ 1401.94 lakhs during the year compared to profit of ₹ 856.40 lakhs in the previous year. The Revenue from operations during the year is ₹ 2019.05 lakhs compared to ₹ 1444.97 lakhs in the previous year. The major portion of the Revenue is from interest income earned and dividend income from subsidiary company during the year. Provision of ₹ 72 lakhs has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 86 lakhs in the previous year. Segment wise performance is provided in Consolidated Financial Statements.

HUMAN RESOURCE:

Your company considers Human Resource as key drivers to the growth of the Company. The Company has performance based appraisal system. As on March 31, 2014, the total number of employees including subsidiaries was 156.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains appropriate systems of Internal Control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an effective internal audit carried out by an external firm of Chartered Accountants. The management regularly reviews the findings of these

internal auditors and takes appropriate steps to implement the suggestions and observations made by them. The management ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Audit Committee of the Board of Directors reviews the adequacy of Internal Controls. All these measures assist in timely detection of any irregularities and remedial steps that can be taken to avoid any pecuniary loss.

OUTLOOK FOR GLOBAL AND INDIAN ECONOMY:

It is expected that global economy will entrench in a higher growth trajectory in the FY 2014-15 in comparison to previous year, notwithstanding the spillover effects from US and Euro Area concerns.

Activity is expected to improve in 2014-15, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015.

The Indian economy is likely to expand between 5.4 percent and 5.9 percent in the year to March 31, 2015 after growth decelerated to below 5 percent for two consecutive years, as stated in the Economic Survey Report. The new government, which assumed power in late May, has bolstered investors' confidence as reflected in the stock market. The Government has unleashed major economic reforms including the unveiling of the Union Budget for 2014-15 and increasing the Foreign Direct Investment limits in Defense and Insurance. The new Government ideology of governance is 'Minimum government, Maximum governance'. Curbing food inflation is top most priority of the new Government among other reforms.

DISCLAIMER:

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the Management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein

On Behalf of the Board of Directors,

Dr. B. Samal
Chairman
(DIN: 00007256)

Place: Mumbai
Date: July 25, 2014

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has been upholding the core values in all facets of its corporate working, with due concern for the welfare of shareholders of the Company. The Management has consistently followed the principles of Corporate Governance, based on fairness, transparency, integrity, accountability and the compliance with laws in all corporate decisions.

2. BOARD OF DIRECTORS

Composition of the Board, Category of Directors, Other Directorships, Committee Memberships and Chairmanships of other companies are given in the table below:

Sr. No	Name of the Directors	Category	No. of other Directorships held*	No. of Committee Memberships of other Companies#	No. of Committee Chairmanships of other Companies
1	Dr. B. Samal	NI / E Executive Chairman	9	3	3
2	Mr. Bipin Agarwal	NI / NE Promoter	7	1	1
3	Mr. R.S. Loona	I / NE	4	3	1
4	Mr. Venkatesan Narayanan	I / NE	2	3	Nil
5	Mr. Subhash C. Bhargava	I / NE	10	7	Nil
6	Mr. P.K. Rath	I / NE Representative of LIC of India	Nil	Nil	Nil

NI - Non Independent Director

I - Independent Director

NE - Non-Executive Director

E - Executive Director

* Excludes alternate directorships and directorships in foreign companies and private companies and Companies u/s.25 of the Companies Act, 1956.

Excludes Committees other than Audit Committee, Shareholder / Investor Grievance Committee of Public Limited Companies and Chairmanships.

Board Meetings and Annual General Meeting

The meetings of the Board are scheduled well in advance. The Board meets at least once in a quarter inter alia to review the performance of the Company. For each meeting, a detailed agenda is prepared in consultation with the Chairman.

During the year 2013-2014, 4 Board Meetings were held i.e., on May 14, 2013, August 01, 2013, October 29, 2013 and January 28, 2014.

Attendance at the Board Meetings and at the Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Dr. B. Samal	4	Yes
Mr. Bipin Agarwal	4	Yes
Mr. R.S. Loona	4	Yes
Mr. Venkatesan Narayanan	4	Yes
Mr. P.K. Rath	4	No
Mr. Subhash C. Bhargava	4	Yes

3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors:

a) Audit Committee:

The Audit Committee was constituted on March 14, 2001. It was last reconstituted on January 28, 2013.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Auditors' Report, the Statutory Auditors' Report on the financial statements and quarterly results, to select and establish accounting policies, reviewing the impact of these on financial statements, to review significant related party transactions, have discussions with the auditors periodically about internal control system, to appoint and decide the remuneration of the internal auditor.

During the year under review, four meetings of the Audit Committee were held, the dates being May 14, 2013, August 01, 2013, October 29, 2013 and January 28, 2014.

The composition and attendance of members at the Audit Committee Meetings are as follows:

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Mr. Subhash C. Bhargava	Chairman	4
Mr. R.S. Loona	Member	4
Mr. P.K. Rath	Member	4

Ms. Cumi Banerjee, CEO & Company Secretary acts as Secretary to the Committee and attends the meetings.

Each member of the Committee has relevant experience in the field of accounts and finance, with the Chairman of Committee being a Chartered Accountant.

b) Remuneration Committee (Non-Mandatory):

The Remuneration Committee was constituted on June 19, 2002 consisting of three Non-Executive and Independent Directors, which was subsequently dissolved on June 11, 2004 and reconstituted on January 13, 2005. The Committee was last reconstituted on May 14, 2013.

Main functions of the Remuneration Committee include recommendation to the Board of Directors, salary, perquisites, commission and retirement benefits and

finalisation of package payable to the Company's Executive Chairman or Whole-Time Directors.

During the year under review, one meeting of the Remuneration Committee was held on August 01, 2013.

The composition and attendance of members as on March 31, 2014 is as follows:

Remuneration Committee Members	Status	No. of Remuneration Committee Meetings Attended
Mr. P.K. Rath	Chairman	1
Mr. R.S. Loona	Member	1
Mr. Subhash C. Bhargava*	Member	1

* Appointed as a member of Remuneration Committee on May 14, 2013

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, increased 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 increase in remuneration is within the limits prescribed under Schedule XIII of the Companies Act, 1956. The shareholders accorded their approval in the Annual General Meeting of the Company held on September 07, 2013.

Apart from fixed components set by the Remuneration Committee, no performance linked incentives are paid to Dr. B. Samal.

Details of remuneration paid to the Executive Chairman for the year 2013-2014 are given below:

Name	Salary	Perquisites	Contribution to P.F and other funds	Total
	₹	₹	₹	₹
Dr. B. Samal	25,00,000/-	5,41,667/-	3,00,000/-	33,41,667/-

Details of remuneration paid to Non-Executive Directors for the year 2013-2014 are given below:

Sitting Fees

Name	Board Meetings	Committee Meetings	Total
	₹	₹	₹
Mr. Bipin Agarwal	80,000/-	20,000/-	1,00,000/-
Mr. R.S. Loona	80,000/-	3,60,000/-	4,40,000/-
Mr. Venkatesan Narayanan	80,000/-	40,000/-	1,20,000/-
Mr. P.K. Rath	80,000/-	3,40,000/-	4,20,000/-
Mr. Subhash C. Bhargava	80,000/-	1,20,000/-	2,00,000/-
Total	4,00,000/-	8,80,000/-	12,80,000/-

During the year, the Non-Executive Directors are paid sitting fees at the rate of Rs.20,000/- for attending each meeting of the Board and Rs.20,000/- for attending each Committee meeting thereof.

Mr. Bipin Agarwal holds 25,000 equity shares in the Company and none of the remaining Directors hold any equity shares of the Company as on March 31, 2014.

Presently, the Company does not have a practice of granting stock options.

c) Share Transfer & Shareholders' / Investors' Grievance Committee (STIGC)

The Board had constituted Share Transfer & Shareholders' / Investors' Grievance Committee (STIGC) on January 16, 2002. The Committee was last re-constituted on January 28, 2013.

The Committee as on March 31, 2014 consisted of 3 members, namely:

- Mr. R.S. Loona - Non Executive Director - Chairman
- Dr. B. Samal - Member
- Mr. P.K. Rath - Member

This Committee:

- (1) approves and monitors transfers, transmissions, splitting and consolidation of shares and the issue of duplicate share certificates; and
- (2) looks into various issues relating to shareholders, including redressing of complaints received from shareholders, relating to transfer of shares, non-receipt of balance sheets, dividends etc.

To expedite share transfer process, the Board has authorised the CEO & Company Secretary of the Company to approve share transfer up to one thousand shares. Share transfers for more than one thousand shares are approved by the STIGC. During the year, 12 meetings were held. Transfer formalities have been attended at least once in a fortnight.

- Name and designation of Compliance Officer: Ms. Cumi Banerjee
CEO & Company Secretary
- No. of shareholders complaints received 5
- No. of complaints not resolved to the satisfaction of the shareholders Nil
- Pending complaints as on 31.03.2014 Nil

The Company attends to investors' & shareholders' grievances within 15 days from the date of its receipt.

d) Committee for Investments / Loans and Risk Management

The Board had constituted 'Committee of Directors' on March 05, 2008 to deal with matters concerning investments and granting loans. On July 20, 2010, the nomenclature of Committee of Directors was changed to 'Committee for Investment and Loans'.

The Board had constituted a Risk Management Committee on June 02, 2006.

The Board of Directors in their meeting held on August 01, 2013, decided that a new Committee by the name '**Committee for Investments / Loans and Risk Management**' be constituted in place of 'Committee for Investments and Loans' and 'Risk Management Committee' which would deal with matters concerning investments, granting loans, taking / providing guarantees / securities and address all risks which can create impact on the business of the Company.

The Committee as on March 31, 2014 consisted of 4 members, namely:

Mr. Subhash C. Bhargava	- Chairman
Dr. B. Samal	- Member
Mr. Bipin Agarwal	- Member
Mr. R.S. Loona	- Member

During the year under review, the following meetings were held:

- Risk Management Committee - on May 14, 2013 ;
- Committee for Investments / Loans and Risk Management - on August 03, 2013

e) Asset Liability Management Committee

The Board has constituted '**Asset Liability Management Committee**' (ALCO) on August 01, 2013 consisting of senior management executives which monitors liquidity and interest rate risks of the Company. The functioning of ALCO is reviewed by the Committee for Investments / Loans and Risk Management which meets on quarterly basis and reports to the Board of Directors.

During the year under review, the Asset Liability Management Committee met once on January 21, 2014.

4. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(IV) (F) of the Listing Agreement.

Subsidiary Companies

Under clause 49 of the Listing Agreement, an Independent Director of the Company is required to be appointed as Director on the Board of the material unlisted Indian subsidiaries.

The following Independent Directors have been appointed as a Director on the Board of the unlisted subsidiary companies:

1. Mr. Subhash C. Bhargava - IIT Insurance Broking and Risk Management Private Limited (material unlisted subsidiary) w.e.f. April 18, 2012;
2. Mr. R.S. Loona - IIT Media and Entertainment Private Limited (non-material unlisted subsidiary) w.e.f. January 27, 2010; and
3. Mr. Venkatesan Narayanan - IITL Corporate Insurance Services Private Limited (non-material unlisted subsidiary) w.e.f. January 31, 2014.

The Audit Committee of the Company reviews the financial statements, including the investments made, of its material unlisted subsidiaries.

The Minutes of the meetings of the Board of Directors of the unlisted subsidiary Companies are regularly placed before the Board of Directors of the Company. A statement containing the significant transactions and arrangements entered into by the unlisted subsidiaries are periodically placed before the Board of Directors of the Company.

Disclosures - Related party transactions

Statements in summary form of transactions with related parties are periodically placed before the Audit Committee.

Disclosure of Accounting Treatment

The Company has followed Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 in preparation of financial statements.

Disclosure on Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically reviews the same.

Code of Conduct

As required by Clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board members and Senior Management of the Company. The members of the Board of Directors and Senior Management have affirmed compliance of the said Code during the period under review. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

CEO / CFO Certification

In terms of the requirements of Clause 49 (V) of the Listing Agreement, the Executive Chairman, Dr. B. Samal and CEO & Company Secretary, Ms. Cumi Banerjee, have submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause.

This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 20, 2014.

5. COMPLIANCE PROVISIONS WITH NON-MANDATORY REQUIREMENT OF LISTING AGREEMENT

Besides complying with mandatory requirements of the Listing Agreement, the Company has also complied with some Non-Mandatory requirements of Listing Agreement which includes setting up of Remuneration Committee.

6. GENERAL BODY MEETINGS

Location and time where last three AGMs were held:

Sr. No.	Date	Location	Time	Special Resolution passed
1.	September 07, 2013	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	3.30 p.m.	Re-appointment of Dr. B. Samal as Executive Chairman and Increase in Remuneration
2.	September 20, 2012	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	3.30 p.m.	1) Alteration of Articles of Association of the Company 2) Raising of Funds through Issue of 10% Compulsorily Convertible Preference Shares of the Company on Preferential basis
3.	September 10, 2011	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	3.00 p.m.	NIL

No resolution has been approved by way of Postal Ballot, nor the Company proposed any resolution which required approval by way of Postal Ballot.

7. OTHER DISCLOSURES:

- There were no materially significant transactions with the related parties during the year, which had or could have potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note Number 2.23 to the Accounts in the Annual Report.
- No penalties or strictures have been imposed on the Company by SEBI, Stock Exchanges or any other statutory authority, for non-compliance of any laws, on any matter related to the capital markets, during the last three years.
- There are no inter-se relationships between Directors of the Company.

8. MEANS OF COMMUNICATIONS

- Quarterly and Annual financial results of the Company are forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and published in Free Press Journal (English) and Navshakti (Marathi). Half yearly report is not sent to each shareholder. However, the results of the Company are published in the Newspapers.

- The Company has not made any presentation to any institutional investors or to any analysts during the year.
- Management Discussion and Analysis Report forms part of the Directors' Report.
- The Company has launched its website www.iitlgroup.com. Annual Report of the Company shall be available on the website in a user friendly and downloadable form. The quarterly / half yearly results are also available on the Company's website.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date & Time : Saturday, August 30, 2014 at 2.30 p.m.

Venue : M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

b) Financial Calendar : 2014-2015

Adoption of Quarterly Results for

Quarter ending	In the month of
-----	-----

(Tentative)

June 2014	: On or before August 14, 2014
September 2014	: On or before November 14, 2014
December 2014	: On or before February 14, 2015
March 2015 (Audited annual results)	: On or before May 30, 2015

c) **Dividend Payment Date** : On or before September 29, 2014

d) **Book Closure period** : August 23, 2014 to August 30, 2014

e) **Listing on Stock Exchange** : Bombay Stock Exchange Limited (BSE), Dalal Street, Mumbai 400 001
National Stock Exchange of India Limited (NSE) BKC, Bandra (E), Mumbai 400 051

Listing fees, as prescribed, have been paid to the BSE and NSE up to March 31, 2015.

f) **Stock Code at BSE** : 501295
NSE Stock Symbol : IITL

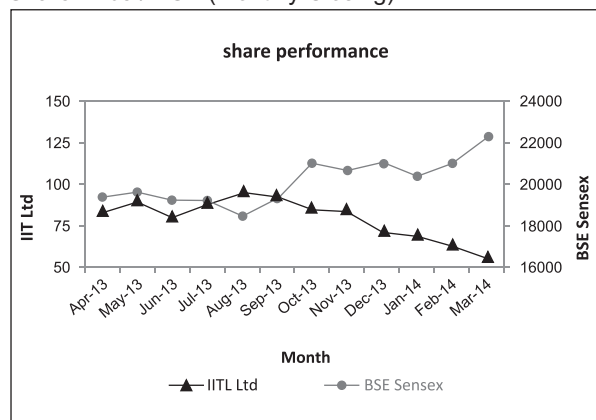
g) Stock price data at the BSE and NSE

Month	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April, 2013	87.90	77.50	84.00	80.00	70.20	70.20
May, 2013	95.00	86.80	91.10	--*	--*	--*
June, 2013	95.00	81.00	81.50	93.95	73.65	93.95
July, 2013	89.25	83.10	89.25	--*	--*	--*
August, 2013	95.50	89.10	95.50	89.30	89.30	89.30
September, 2013	99.90	94.55	94.55	89.30	89.30	89.30
October, 2013	89.85	80.80	86.00	85.00	80.75	80.75
November, 2013	85.00	85.00	85.00	80.75	80.75	80.75
December, 2013	89.25	73.00	73.00	77.80	70.00	70.00
January, 2014	78.00	70.00	70.00	74.00	70.00	71.50
February, 2014	68.00	58.25	63.95	71.00	60.00	63.00
March, 2014	63.75	49.55	57.20	63.00	50.00	56.70

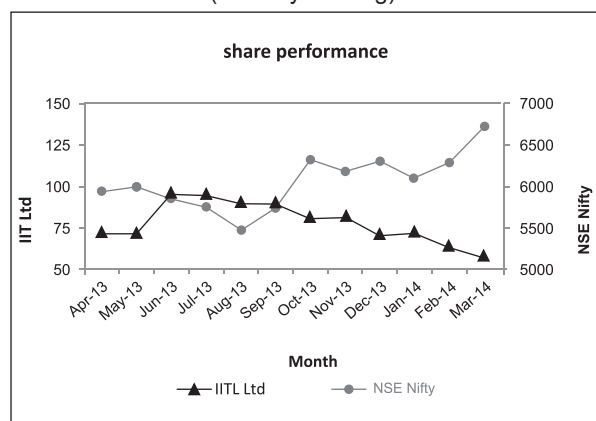
* There was no trading during the month

h) Graph

Share Price / BSE (Monthly Closing)



Share Price / NSE (Monthly Closing)



i) Registrar and Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078.
Tel. No.: 022 2596 3838

j) Share Transfer System

The transfer of shares held in physical mode is processed by Link Intime India Private Limited and is approved by the Share Transfer Committee / CEO & Company Secretary of the Company as the case may be. The transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt, provided that the relevant documents are complete in all respects.

k) Distribution of shareholding as on March 31, 2014

Grouping of Shares	No. of Shareholders	% of total share-holders	No. of Shares per Category	% of total shares
1-500	1578	73.46	266375	1.22
501-1000	228	10.62	199603	0.92
1001-2000	144	6.70	231948	1.06
2001-3000	73	3.40	187797	0.86
3001-4000	22	1.03	79447	0.36
4001-5000	34	1.58	165815	0.76
5001-10000	35	1.63	251065	1.15
10001- 21827550	34	1.58	20445500	93.67
TOTAL	2148	100.00	21827550	100.00

Shareholding pattern as on March 31, 2014

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	8601387	39.41
Foreign Company	-	-	-
Non Resident (Individual & Companies)	37	83405	0.38
Foreign Institutional Investors	-	-	-
Insurance Companies	3	1243311	5.70
Financial Institutions / Banks	16	69150	0.32
Mutual Funds	-	-	-
Central Government / State Government(s)	2	37200	0.17
Resident Individuals	1987	1420424	6.51
Clearing Member	18	7811	0.03
Trusts	5	45500	0.21
Other bodies corporate	73	541812	2.48
Shares held by custodians and against which Depository Receipts have been issued	1	9777550	44.79
TOTAL	2148	21827550	100.00

l) Dematerialisation

The Company has entered into agreements with National Security Depository Limited and Central Depository Services Limited for the dematerialisation of shares. As on March 31, 2014, a total of 2,09,59,549 shares, which forms 96.02% of the share capital of the Company stands dematerialized and 8,68,001 shares which forms 3.98% of the share capital are in physical form.

m) Outstanding GDRs / ADRs / Warrants or any convertible instruments

(a) The Company had issued 48,88,775 Global Depository Receipts (GDRs), each GDR representing two Equity Shares of ₹10/- each, on June 15, 2012. The GDRs issued by the Company are listed on the Luxembourg Stock Exchange. As on March 31, 2014, the total outstanding GDRs stood at 48,88,775.

(b) The Company has converted 10,50,000, 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each out of the outstanding 17,70,000, 10% CCPS issued and allotted on preferential basis to the promoters namely N. N. Financial Services Private Limited and Nimbus India Limited into 10,50,000 Equity Shares during the month of October 2013. The Equity Shares issued and allotted as above are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and have been admitted to dealings on both the Stock Exchanges. As on March 31, 2014, the total outstanding CCPS stood at 7,20,000.

n) Plant Location

The Company does not have a manufacturing plant.

o) Address for Correspondence

Shareholders can correspond with the Registrars & Share Transfer Agents or at the Registered Office of the Company.

Address of the Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai 400 078.
Tel. No.: 022 2596 3838

For the convenience of the investors, transfer requests are also accepted at the Registered Office of the Company.

Address of Registered Office

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

Contact Person

Ms. Cumi Banerjee - CEO & Company Secretary
Tel. No.: 022 2266 5453 / 022 4325 0100

Auditors' Certificate on Corporate Governance

The Auditors' Certificate on compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

Declaration on Compliance with Code of Conduct

It is hereby affirmed that all the directors and the senior management personnel have complied with the Code of Conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

On behalf of the Board of Directors

Dr. B. Samal
Chairman
(DIN: 00007256)

Place : Mumbai
Date: July 25, 2014

AUDITORS' CERTIFICATE

TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED

We have examined the compliance of conditions of Corporate Governance by **INDUSTRIAL INVESTMENT TRUST LIMITED**, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 117365W)

Uday Neogi

Partner
(Membership No. 30235)

MUMBAI: 25th July, 2014

INDUSTRIAL INVESTMENT TRUST LIMITED

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.28 of the financial statements. As stated in the Note the net worth of Future Generali India Life Insurance Company Limited ("FGILICL"), a Joint Venture of the Company, as at 31st March 2014 has substantially eroded. However, the Management of the Company is of the view, for the reasons stated in the Note, that there is no diminution other than temporary in the value of investment of the Company in FGILICL as at 31st March, 2014.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 117365W)

Uday Neogi

Partner

Membership No. 30325

MUMBAI, 20th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses ii, vi, viii, x, xi, xii, xiii, xvi and xix of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Act, according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating ₹ 435,000,000 to five parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ 685,654,661 (five parties) and the maximum amount involved during the year was ₹ 685,654,661 (six parties).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act and accordingly, clauses (f) and (g) of the paragraph 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for the sale of services. The company does not purchase inventory nor does it sell goods in the ordinary course of business. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income-Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There have been no dues payable in respect of Employees' State Insurance, Sales Tax, Excise Duty and Customs Duty during the year on account of their non-applicability to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-Tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹)
The Income-tax Act, 1961	Income tax	Income-tax Appellate Tribunal	A.Y. 1996-97	1,004,643
The Income-tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	A.Y. 2008-09	490,257
The Wealth tax Act, 1957	Wealth tax	High Court, Mumbai	A.Y. 1997-98	3,250,246

(viii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.

(ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interests of the Company.

(x) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

(xi) During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xii) The Management has disclosed the end use of money raised by public issues in the notes to the financial statements and we have verified the same.

(xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Uday Neogi
Partner
(Membership No.30325)

MUMBAI, 20th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	225,475,500	225,475,500
Reserves and surplus	2.2	5,100,823,452	5,000,373,303
		5,326,298,952	5,225,848,803
Non-current liabilities			
Deferred tax liabilities (net)	2.3	-	611,304
		-	611,304
Current liabilities			
Trade payables	2.4	1,425,686	1,864,467
Other current liabilities	2.5	4,588,502	19,286,327
Short-term provisions	2.6	48,159,014	38,946,851
		5,41,73,202	6,00,97,645
TOTAL		5,380,472,154	5,286,557,752
ASSETS			
Non-current assets			
Fixed assets - Tangible	2.7	5,237,224	5,737,519
Non-current investments	2.8	4,536,367,798	1,143,251,392
Deferred tax assets (net)	2.3	1,712,144	-
Long-term loans and advances	2.9	24,416,845	2,526,372,734
		4,567,734,011	3,675,361,645
Current assets			
Current investments	2.10	-	273,466,517
Cash and Bank balances	2.11	118,523,519	692,483,441
Short-term loans and advances	2.12	690,948,207	633,977,821
Other current assets	2.13	3,266,417	11,268,328
		812,738,143	1,611,196,107
TOTAL		5,380,472,154	5,286,557,752

See accompanying notes (1 and 2.1 to 2.29) forming part of the financial statements

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

UDAY NEOGI
Partner

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

Mumbai: 20th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Revenue from operations	2.14	201,904,551	144,497,397
Other income	2.15	779,033	444,001
Total Revenue		202,683,584	144,941,398
Employee benefits expense	2.16	10,711,087	9,553,109
Interest on income-tax		450,540	-
Depreciation expense			
- on investment property		9,517	10,019
- on fixed assets - tangible	2.7	838,745	920,531
Other expenses	2.17	13,588,297	16,347,647
Write-down in value of current investments		-	149,378
Provision for diminution in value of long-term investments		7,200,000	8,600,000
Net loss on sale of current investments		794,994	-
Contingent provision against standard assets		120,000	951,000
Loss from trading of equity stock futures		-	1,307,910
Total expenses		33,713,181	37,839,594
Profit before tax		168,970,403	107,101,804
Tax expense:			
(a) Current tax		49,300,000	32,600,000
(b) Less: MAT Credit		(18,200,000)	(11,100,000)
(c) Net current tax expense		31,100,000	21,500,000
(d) Deferred tax	2.3	(2,323,448)	(38,000)
		28,776,552	21,462,000
Profit for the year		140,193,851	85,639,804
Earnings per share:	2.22		
Basic		6.53	4.73
Diluted		6.22	4.50
Nominal Value per equity share (₹)		10.00	10.00

See accompanying notes (1 and 2.1 to 2.29) forming part of the financial statements

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

UDAY NEOGI
Partner

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

Mumbai: 20th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	168,970,403	107,101,804
Adjustments for:		
Depreciation on fixed assets - tangible	838,745	920,531
Depreciation on investment property	9,517	10,019
Interest income	(142,851,849)	(111,097,635)
Profit on sale of Fixed Assets (net)	-	(6,742)
Loss on Fixed Assets written off	18,940	-
Liability no longer required written back	(774,993)	-
Interest on income tax	450,540	-
Provision for compensated absences	249,997	-
Provision for diminution in value of long-term investments	7,200,000	8,600,000
Contingent provision against standard assets	120,000	951,000
Provision for write-down in value of current investments	-	149,378
Loss/(profit) on sale of long-term investments (net)	-	(1,340,413)
Loss/(profit) on sale of current investments (net)	794,994	(2,439,721)
Write down on reclassification of investment	48,837	-
Operating profit before working capital changes	35,075,132	2,848,222
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Short-term loans and advances	(684,107)	8,064,827
Long-term loans and advances	3,944,297	7,201,596
Dividend Account balance with banks	(145,270)	(550,953)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	336,212	980,809
Other current liabilities	(14,843,095)	118,633
Other adjustments :		
Bank balances not considered as cash and cash equivalents		
- Placed	(6,936,008,642)	(13,415,712,458)
- Matured	7,507,822,321	12,763,866,163
Purchase of long-term investments:		
- Subsidiaries	-	(350,000,000)
- Associates	-	(250,000,000)
- Joint ventures (See note 2.9a)	(900,000,000)	-
- Others	-	(12,128,800)
Sale of long-term investments:		
- Others	-	2,858,377
Purchase of current investments:	(35,000,000)	(580,629,885)
Sale of current investments	307,296,763	309,453,710
Amount paid for acquiring equity shares [See Note 2.9a]	-	(2,500,000,000)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Loans given:		
- Subsidiaries	(50,000,000)	(30,000,000)
- Associates	(385,000,000)	(340,000,000)
Loans realised:		
- Subsidiaries	50,000,000	-
- Associates	227,500,000	-
- Others	100,000,000	-
Interest received from:		
- Subsidiaries	17,297,752	7,677,042
- Associates	62,694,720	35,463,288
- Others	70,861,289	57,908,859
Cash flow from operations	61,147,372	(4,282,580,571)
Net income tax paid	(32,299,727)	(22,789,622)
Net cash generated from / (used in) operating activities (A)	28,847,645	(4,305,370,193)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(357,391)	(1,193,266)
Proceeds from sale of fixed assets	-	280,000
Net cash used in investing activities (B)	(357,391)	(913,266)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares (including GDS)	-	3,354,044,941
Issue of Compulsorily Convertible Preference Shares (CCPS)	-	957,918,029
Dividend and Tax on Dividend paid	(30,781,766)	(16,882,046)
Net cash generated (used in) /from financing activities (C)	(30,781,766)	4,295,080,924
Net decrease in Cash and cash equivalents (A+B+C)	(2,291,512)	(11,202,536)
Cash and cash equivalents at the beginning of the year	17,081,508	28,284,044
Cash and cash equivalents at the end of the year (See Note 2.11)	14,789,996	17,081,508

Note:

- Investment is the principal business activity of the Company and therefore the cash flow relating to it is included under operating activities.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Previous year figures have been regrouped wherever necessary.

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

UDAY NEOGI
Partner

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

Mumbai: 20th May, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.1 Corporate Information

Industrial Investment Trust Limited (the Company) is a Public company incorporated under the provisions of the Companies Act, 1956. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India. The Company has been classified as an Investment Company.

1.2 Significant Accounting Policies

Basis of accounting and preparation of financial statements:

- (A) The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The Company follows the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Assets and liabilities are classified as current if it is expected to realise or settle within 12 months after Balance Sheet date.

- (B) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

- (C) Revenue Recognition:

- (a) Interest on all lending such as inter corporate deposits and finance against securities are accounted on time proportionate basis.
- (b) Rental income is accrued on the basis of the agreement.
- (c) Dividend is accounted when the right to receive payment is established.
- (d) Profit/Losses from share trading/investment activities is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of contract notes.
- (e) Equity Stock - Futures:

In accordance with Guidance Note on "Accounting for Equity Index and Equity Stock Futures and Options" issued by The Institute of Chartered Accountants of India.

1. Equity Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, are disclosed under Loans and Advances or Current Liabilities respectively. The "Mark-to-Market Margin Equity Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of Equity Stock Futures till the Balance Sheet date.
2. As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Stock Futures are accounted for as follows:
 - Credit balance in the "Mark-to-Market Margin - Equity Stock Futures Account", being anticipated profit, is ignored and no credit is taken in the Statement of Profit and Loss.
 - Debit balance in the "Mark-to-Market Margin - Equity Stock Futures Account", being anticipated loss, is recognised in the Statement of Profit and Loss.
3. On final settlement or squaring-up of contracts for Equity Stock Futures, the profit or loss is calculated as the difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in "Mark-to-Market Margin - Equity Stock Futures Account" is recognised in the Statement of Profit and Loss upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out Method for calculating profit/ loss on squaring-up.
4. "Initial Margin - Equity Stock Futures Account", representing the initial margin and "Margin Deposits" representing additional margin paid over and above the initial margin, for entering into contracts for Equity Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

1.2 Significant Accounting Policies (Contd.)

(D) Fixed Assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

(E) Depreciation:

(a) Depreciation on fixed assets is provided on the written down value basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(b) Depreciation on additions to fixed assets is provided for the full period irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.

(F) Investments:

Long Term Investments (excluding investment property) are valued at cost unless there is a diminution in value, other than temporary for which provision is made.

Current Investments are stated at lower of cost and fair value.

Investment properties are carried individually at cost less accumulated depreciation. Investment properties are capitalised and depreciated in accordance with the policy stated for Fixed Assets.

(G) Taxation:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(H) Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(I) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(J) Employee benefits:

(a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related service is rendered.

(b) Long term employee benefits:

1. Defined Contribution Plan:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company makes monthly contributions

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

1.2 Significant Accounting Policies (Contd.)

at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Employees Provident Fund Organisation. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contributions to Defined Contribution Plans are charged to Statement of Profit and Loss as incurred.

2. Defined Benefit Plans:

i. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

ii. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The Employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(K) Foreign Currency Transactions:

Transactions in foreign currencies are translated to reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expense in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing date rates, and unrealized transaction differences are included in the Statement of Profit and Loss.

(L) Share issue expenses:

Share issue expenses are adjusted against Securities Premium Account in terms of Section 78 (2) of the Companies Act, 1956.

(M) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(N) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(O) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.1 Share Capital

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Authorised		
30,000,000 (previous year 30,000,000) Equity shares of ₹ 10 each with voting rights	300,000,000	300,000,000
5,000,000 (previous year 5,000,000) Preference shares of ₹ 10 each.	50,000,000	50,000,000
Issued, subscribed and fully paid-up:		
21,827,550 (previous year 20,777,550) Equity shares of ₹ 10 each with voting rights	218,275,500	207,775,500
[Included above are 9,777,550 (Previous year: 9,777,550) equity shares] represented by 4,888,775 (Previous year: 4,888,775) Global Depository Shares ("GDS")		
720,000 (previous year 1,770,000) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each fully paid-up	7,200,000	17,700,000
Total	225,475,500	225,475,500

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2014		As at 31st March 2013	
	No. of shares	₹	No. of shares	₹
Opening Balance	20,777,550	207,775,500	10,000,000	100,000,000
Add:- Issued during the year	-	-	9,777,550	97,775,500
Add:- Conversion of CCPS to equity shares	1,050,000	10,500,000	1,000,000	10,000,000
Closing balance	21,827,550	218,275,500	20,777,550	207,775,500

During the previous year, the Company had issued 4,888,775 Global Depository Shares ('GDSs') representing 9,777,550 equity shares of the Company of nominal value ₹10 each, aggregating to US \$ 59.89 millions equivalent to ₹ 3,377,606,725 (including share premium of ₹ 3,279,831,225). The GDSs are listed on Luxembourg Stock Exchange.

10% Compulsorily Convertible Preference Shares	As at 31st March 2014		As at 31st March 2013	
	No. of shares	₹	No. of shares	₹
Opening Balance	1,770,000	17,700,000	-	-
Add:- Issued during the year	-	-	2,770,000	27,700,000
Less:- Conversion of CCPS to equity shares	1,050,000	10,500,000	1,000,000	10,000,000
Closing balance	720,000	7,200,000	1,770,000	17,700,000

During the previous year, the Company had allotted 2,770,000 10% Compulsorily Convertible Preference Shares of ₹ 10 each on a preferential basis to companies in the promoter group at a price of ₹ 350/- per share. The closing balance of 720,000 CCPS shall be converted to equity shares on April 3, 2014.

(b) Rights, preferences and restrictions attached to equity shares

Equity shares of the company are issued at a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all claims/liabilities and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Global Depository Shares (GDS):- Holders of the GDSs will have no voting rights with respect to the underlying equity shares. The Depository will not exercise any voting rights with respect to the deposited shares. Other rights, preferences and restrictions are same as equity shares.

(d) Rights, preferences and restrictions attached to preference shares

The Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up pari passu inter se and in priority to the Equity Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. The Compulsorily Convertible Preference Shares(CCPS) are convertible into Equity Shares of face value of ₹ 10 each, any time within 18 months from the date of allotment, in one or more tranches at a price of ₹ 350 including premium of ₹ 340 per share.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.1 Share Capital (Contd.)

(e) **Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N. N. Financial Services Private Limited	6,637,960	30.42	5,787,960	27.86
Nimbus India Limited	1,913,427	8.77	1,713,427	8.25
Life Insurance Corporation of India	1,225,017	5.61	1,225,017	5.90
The Bank of New York Mellon (for GDS holders)	9,777,550	44.79	9,777,550	47.06

(f) **Preference shares held by each shareholder holding more than 5% Preference shares in the Company are as follows:**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N. N. Financial Services Private Limited	450,000	62.50	1,300,000	73.45
Nimbus India Limited	270,000	37.50	470,000	26.55

(g) **Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000**

(i) Regarding issue of preference shares:

Particulars	During the year ended	
	31st March, 2014 ₹	31st March, 2013 ₹
Total amount received from issue of CCPS, issued at the price of ₹ 350 including share premium of ₹ 340 each	-	969,500,000
Unutilised monies as on April 1, 2013	277,918,029	-
Purpose for which the money received has been utilized :		
a. Loans given to entities under significant influence	250,000,000	340,000,000
b. Investment in Preference shares of a subsidiary, IITL Projects Limited	-	350,000,000
c. Loans given to an associate, World Resort Limited	20,000,000	-
d. Direct Expenses incurred towards the CCPS Issue	-	1,581,971
	270,000,000	691,581,971
Unutilised monies	7,918,029	277,918,029

Balance amount of ₹ 277,918,029 was invested in Short Term Mutual Funds and Fixed Deposits with Banks in the previous year. Unutilised money as on March 31, 2014 is invested in Fixed Deposit.

(ii) Regarding issue of Global Depository Shares:

Particulars	During the year ended	
	31st March, 2014 ₹	31st March, 2013 ₹
Total amount received from issue of GDS	-	3,377,606,725
Unutilised monies as on April 1, 2013	594,044,940	-
Purpose for which the money received has been utilized :		
a. Amount paid to Pantaloon Retail India Ltd. (now known as Future Retail Ltd.) for acquiring their equity stake of 22.5% in Future Generali India Life Insurance Company Ltd. (See note no. 2.9(a))	594,044,940	2,500,000,000
b. Investments in preference shares of an associate, World Resorts Limited	-	250,000,000
c. Direct Expenses incurred towards the GDS Issue	-	33,561,785
	594,044,940	2,783,561,785
Unutilised monies	-	594,044,940

Balance amount of ₹ 594,044,940 was invested in Fixed Deposits with Banks in the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.2 Reserves and surplus

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Capital Reserve		
Balance as per last Balance Sheet	750	750
Securities Premium Account		
Opening balance	4,186,487,469	-
Add : Premium on issue of GDS	-	3,279,831,225
Add : Premium on issue of CCPS	-	941,800,000
Less: Utilised for :		
Writing off GDS issue expenses	-	33,561,785 #
Writing off CCPS issue expenses	-	1,581,971
Closing balance	4,186,487,469	4,186,487,469
General Reserve		
Opening balance	175,028,048	170,746,058
Add: Transfer from Surplus in the Statement of Profit and Loss	10,514,539	4,281,990
Closing balance	185,542,587	175,028,048
Special Reserve (as per the RBI regulations)		
Opening balance	275,086,961	257,959,000
Add: Transfer from Surplus in the Statement of Profit and Loss	28,038,770	17,127,961
Closing balance	303,125,731	275,086,961
Surplus in Statement of Profit and Loss		
Opening balance	363,770,077	335,723,307
Add: Profit for the period	140,193,851	85,639,804
Add: Reversal of excess tax on dividend	5,256,050*	-
Less: Dividend proposed to be distributed to equity shareholders (₹ 1.75 per share, previous year ₹ 1.50 per share)	37,135,986	29,703,311
Less: Dividend proposed to be distributed to CCPS shareholders (₹ 1.00 per share, previous year ₹ 1.00 per share)	1,326,986	1,223,726
Less: Tax on dividend	6,536,782	5,256,050
Transferred to:		
- General Reserve	10,514,539	4,281,990
- Special Reserve	28,038,770	17,127,961
Closing balance	425,666,915	363,770,073
Total	5,100,823,452	5,000,373,303

* Reversal of excess tax on dividend on account of dividend received from a subsidiary company on which dividend tax is paid by it under section 115-O of the Income Tax Act, 1961 during the financial year 2013-2014.

Includes ₹ 1,668,920 paid to the Statutory Auditors towards professional services provided by them in connection with the issue of GDS.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.3 Deferred tax liabilities

Nature of timing difference	Deferred tax assets/ (liabilities) As at 31st March, 2013 ₹	(Charge) / credit for the current year ₹	Deferred tax assets/ (liabilities) As at 31st March, 2014 ₹
Deferred tax liabilities:			
Depreciation	(972,568)	89,997	(882,571)
Deferred tax assets:			
Disallowances under Section 43B of the Income Tax Act, 1961	361,264	120,973	482,237
Provision for doubtful loans	-	1,529,550	1,529,550
Contingent Provision against Standard Assets	-	582,929	582,929
Net Amount	(611,304)	2,323,448	1,712,144

2.4 Trade payables

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Trade payables:		
Other than Acceptances	1,425,686	1,864,467
Total	1,425,686	1,864,467

There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006; This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors.

2.5 Other current liabilities

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Unclaimed dividends *	4,129,452	3,984,182
Other payables:		
Statutory remittances (Contributions to PF, Service Tax, etc.)	379,010	324,007
Security deposits received	-	13,659,845
Advances from subsidiaries	80,040	-
Rent received in advance	-	1,309,568
Others	-	8,725
Total	4,588,502	19,286,327

* Investor Protection and Education Fund shall be credited by the amount when due.

2.6 Short term provisions

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for employee benefits:		
Compensated absences	1,418,761	1,168,764
Provison - Others:		
Income tax [net of advance tax ₹ 25,744,501 (previous year ₹ Nil)]	25,499	-
Contingent Provision against Standard Assets	1,715,000	1,595,000
Proposed equity dividend	37,135,986	29,703,311
Proposed preference dividend	1,326,986	1,223,726
Tax on proposed dividend	6,536,782	5,256,050
Total	48,159,014	38,946,851

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.7 Fixed assets - Tangible

ASSETS Owned	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Additions	Disposals / Adjustments	As at 31st March, 2014	As at 1st April, 2013	For the year	On disposals	As at 31st March, 2014	As at 31st March, 2013
Buildings	9,100,000 (9,100,000)	- (-)	- (-)	9,100,000 (9,100,000)	5,666,083 (5,485,351)	171,696 (180,732)	-	5,837,779 (5,666,083)	3,433,917 (3,433,917)
Furniture and fixtures	161,626 (161,626)	24,431 (-)	- (-)	186,057 (161,626)	109,097 (97,488)	13,931 (11,609)	-	123,028 (109,097)	52,529 (64,138)
Vehicles	25,64,325 (2,522,766)	- (947,429)	- (905,870)	2,564,325 (2,564,325)	974,140 (1,051,228)	411,700 (555,524)	-	1,385,840 (974,140)	1,590,185 (1,590,185)
Office equipment	1,160,832 (1,054,400)	57,850 (106,432)	22,000 (-)	1,196,682 (1,160,832)	630,383 (544,676)	79,198 (85,707)	3,060	706,521 (630,383)	530,449 (509,724)
Computers	303,602 (164,197)	275,110 (139,405)	- (-)	578,712 (303,602)	173,163 (86,204)	162,220 (86,959)	-	335,383 (173,163)	130,439 (77,993)
Total	13,290,385 (13,002,989)	357,391 (1,193,266)	22,000 (905,870)	13,625,776 (13,290,385)	7,552,866 (7,264,947)	838,745 (920,531)	3,060 (632,612)	8,388,551 (7,552,866)	5,237,224 (5,737,519)
									5,737,519 (5,738,042)

Figures Stated in brackets pertain to the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.8 Non-current investments

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(I) Trade Investments-(valued at cost) [See Note 2.8 (a)]			
(A) Investment in Equity Instruments (fully paid-up):			
- of subsidiaries			
- quoted		136,123,073	136,123,073
- unquoted		143,910,000	143,910,000
		<u>280,033,073</u>	<u>280,033,073</u>
- of associate, unquoted		155,181,250	155,181,250
- of joint venture, unquoted [See Note 2.9 (a)]		3,400,000,000	-
Total (A)		<u>3,835,214,323</u>	<u>435,214,323</u>
(B) Investment in Preference Shares (fully paid-up) [See Note 2.8 (a)]			
- of subsidiary			
12% Non-Convertible Cumulative Redeemable Preference shares, unquoted		350,000,000	350,000,000
- of associate			
10% Cumulative Redeemable Preference shares, unquoted		250,000,000	250,000,000
Total (B)		<u>600,000,000</u>	<u>600,000,000</u>
Total - Trade (A)+(B)		<u>4,435,214,323</u>	<u>1,035,214,323</u>
(II) Other investments			
Investment in Equity Instruments (fully paid-up):			
- of other entities, quoted [See Note 2.8 (a)]	186,536,162		186,210,239
Less: Provision for diminution in the value of investments	<u>(85,563,526)</u>		<u>(78,363,526)</u>
		100,972,636	107,846,713
Investment property (valued at cost less accumulated depreciation)			
Immovable property (cost)	1,069,071		1,069,071
Less: Accumulated depreciation	<u>(888,232)</u>		<u>(878,715)</u>
		180,839	190,356
Total Other Investments		<u>101,153,475</u>	<u>108,037,069</u>
Total		<u>4,536,367,798</u>	<u>1,143,251,392</u>
Aggregate amount of quoted investments (net of provision)		237,095,709	243,969,786
Aggregate market value of quoted investments		95,540,486	132,454,270
Aggregate amount of unquoted investments		4,299,091,250	899,091,250
Investment property		180,839	190,356

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.8 (a) Details of Non-current investments

Name of the Company	Face Value per Share ₹	As at 31st March, 2014		As at 31st March, 2013	
		Holding Nos.	Book Value ₹	Holding Nos.	Book Value ₹
(I) Trade Investments					
(A) Investment in Equity Instruments:					
- of subsidiaries					
- quoted					
IITL Projects Limited	10	3,580,347	136,123,073	3,580,347	136,123,073
- unquoted					
IIT Investtrust Limited	10	12,375,000	117,410,000	12,375,000	117,410,000
IIT Insurance Broking and Risk Management Private Limited	10	2,500,000	25,000,000	2,500,000	25,000,000
IIT Media and Entertainment Private Limited	10	150,000	1,500,000	150,000	1,500,000
			<u>143,910,000</u>		<u>143,910,000</u>
Sub-total			280,033,073		280,033,073
- of associate, unquoted					
World Resorts Limited	10	13,018,125	155,181,250	13,018,125	155,181,250
- of joint venture, unquoted [See Note 2.9 (a) and 2.28]					
Future Generali India Life Insurance Company Limited	10	326,700,000	3,400,000,000	-	-
Total (A)			3,835,214,323		435,214,323
(B) Investment in Preference Shares:					
- of subsidiary, unquoted					
IITL Projects Limited	10	7,000,000	350,000,000	7,000,000	350,000,000
- of associate, unquoted					
World Resorts Limited	10	5,000,000	250,000,000	5,000,000	250,000,000
Total (B)			600,000,000		600,000,000
Total - Trade (A)+(B)			4,435,214,323		1,035,214,323
(II) Other investments					
Investment in Equity Instruments					
- of other entities, quoted					
Ansal Properties and Infrastructure Limited	5	10,000	4,305,646	10,000	4,305,646
DLF Limited	2	10,000	4,416,095	10,000	4,416,095
Empee Distilleries Limited	10	2,500	952,940	2,500	952,940
GMR Infrastructure Limited	1	19,900	1,655,595	19,900	1,655,595
HBL Power Systems Limited	1	9,450	427,825	9,450	427,825
India Cements Limited	10	14,895	2,450,912	14,895	2,450,912
Jaiprakash Associates Limited	2	7,500	1,302,927	7,500	1,302,927
Jaiprakash Power Venture Limited	10	30,000	2,801,128	30,000	2,801,128
Jet Airways (India) Limited	10	2,000	2,006,929	2,000	2,006,929
J.K. Cement Limited	10	8,700	1,943,994	8,700	1,943,994
Mercator lines Limited	1	6,080	9,04,607	6,080	9,04,607
NHPC Limited	10	100,000	3,425,126	100,000	3,425,126
Patel Engineering Limited	1	4,500	4,588,256	4,500	4,588,256
Reliance Capital Limited	10	9,995	14,851,359	9,995	14,851,359
Reliance Communications Limited	5	175,000	45,671,012	175,000	45,671,012
Reliance Industries Limited	10	4,912	10,037,676	4,912	10,037,676
Reliance Media Works Limited	5	10,000	36,68,331	10,000	36,68,331
Reliance Broadcast Network Limited	5	10,000	1,794,343	10,000	1,794,343
Reliance Power Limited	10	100,000	21,886,285	100,000	21,886,285
SQL Star International Limited	10	547,677	22,685,544	547,677	22,685,544
Unitech Limited	2	558,825	33,289,000	558,825	33,289,000
United Breweries (Holdings) Limited	10	893	806,572	893	806,572
Wockhardt Limited	5	800	338,137	800	338,137
Tata Steel Limited #	10	1,200	325,923	-	-
Total			186,536,162		186,210,239

Reclassified from Current Investment to Long Term Investment on September 30, 2013 at lower of cost and fair value on that date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.9 Long-term loans and advances (considered good, unless otherwise stated)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Unsecured:		
Amount paid for acquiring equity shares [See Note (a) below]	-	2,500,000,000
Security deposits	8,377,936	12,332,960
Debit balance in gratuity fund	476,521	465,794
Advance payment of income tax [net of provisions ₹ 102,152,000 (As at 31st March, 2013 ₹ 49,552,000)]	15,562,388	13,573,980
Loans to others (considered doubtful)	4,500,000	4,500,000
Less: Provision for doubtful loans	(4,500,000)	(4,500,000)
	-	-
Total	24,416,845	2,526,372,734

(a) Share purchase agreement:

The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (PRIL) (now known as Future Retail Limited) to purchase part of PRIL's shareholding in Future Generali India Life Insurance Company Limited (FGILICL) representing 22.5% of the equity share capital of FGILICL and had paid an advance of ₹ 250 crores. Pursuant to the approval received from Competition Commission of India (CCI), Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority (IRDA), transaction has been consummated on December 17, 2013 for a total consideration of ₹ 340 crores.

2.10 Current investments (valued at lower of cost and fair value)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Investment in Equity Instruments (fully paid-up) [See Note 2.10 (a)]		
-of other entities, quoted	-	524,138
Less: Provision for diminution in the value of investments	-	(149,378)
	-	374,760
Investment in Mutual Funds [See Note 2.10 (a)]		
Units of Mutual Funds, unquoted	-	273,091,757
Total	-	273,466,517
Aggregate amount of quoted investments (net of provision)	-	374,760
Aggregate market value of listed and quoted investments	-	374,760
Aggregate amount of unquoted investments	-	273,091,757

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.10 (a) Details of current investments

Name of the Company	Face Value per Share ₹	As at 31st March, 2014		As at 31st March, 2013	
		Holding	Book Value	Holding	Book Value
		Nos.	₹	Nos.	₹
Investment in Equity Instruments:					
- of other entities, quoted					
Tata Steel Limited #	10		-	1,200	374,760
Total			-		374,760
Investment in Mutual Funds:					
- units of Mutual Funds, unquoted					
IDBI Ultra Short Term Fund-Daily Dividend - Reinvestment	1,000		-	100,997	52,415,004
Reliance Money Manager Fund -Daily Dividend Plan	1,000		-	101,075	107,838,084
SBI Ultra Short Term Debt Fund -Daily Dividend	1,000		-	101,047	112,838,669
Total			-		273,091,757

Reclassified from Current Investment to Long Term Investment on September 30, 2013 at lower of cost and fair value on that date.

2.11 Cash and bank balances

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Cash and cash equivalents:		
Cash on hand	31,192	12,251
Cheques on hand	-	10,720,272
Balances with banks		
- In current accounts	3,258,804	6,348,985
- In deposit accounts with original maturity upto 3 months	11,500,000	-
	14,789,996	17,081,508
Other Bank Balances:		
- In deposit accounts with original maturity of more than 3 months but less than or equal to 12 months	99,604,072	671,417,752
- In earmarked accounts - unpaid dividend accounts	4,129,451	3,984,181
	103,733,523	675,401,933
Total	118,523,519	692,483,441

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.12 Short-term loans and advances (unsecured, considered good)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Loans and advances to related parties [See Note 2.23]		
<u>Standard Assets -</u>		
Loan to a subsidiary	100,000,000	100,000,000
Loans to entities under significant influence	565,000,000	427,500,000
Loan to an associate	20,000,000	-
Advances to subsidiaries	58,915	657,233
	685,058,915	528,157,233
 Other loans and advances		
Security deposits	4,106,424	4,311,624
Loan to others (Standard Assets)	-	100,000,000
Prepaid expenses	329,521	176,216
Advances to vendors	1,453,347	119,027
Advance payment of income tax [net of provision ₹ Nil (As at 31st March 2013 ₹ 47,300,000)]	-	1,213,721
	5,889,292	105,820,588
Total	690,948,207	633,977,821

2.13 Other current assets (Unsecured, considered good)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Interest accrued on		
- bank deposits	2,611,756	1,795,230
- loans (Standard Assets)	654,661	9,473,098
Total	3,266,417	11,268,328

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.14 Revenue from operations

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Interest [See Note 2.14 (a)]	142,851,849	111,097,635
Other financial services [See Note 2.14 (b)]	43,464,617	17,684,946
Other operating income [See Note 2.14 (c)]	15,588,085	15,714,816
Total	201,904,551	144,497,397

2.14 (a) Interest

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Interest:		
- On deposits with banks	56,669,381	58,484,210
- On loans	86,182,468	52,613,425
Total	142,851,849	111,097,635

2.14 (b) Other financial services

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Dividend income on long-term investments:		
- From a subsidiary	37,500,000	-
- From others	365,976	449,073
Dividend income on current investments	5,598,642	13,455,739
Profit on sale of long-term investments (net)	-	1,340,413
Profit on sale of current investments (net)	-	2,439,721
Total	43,464,617	17,684,946

2.14 (c) Other operating income

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Rent on immovable property	15,588,085	15,714,816
Total	15,588,085	15,714,816

2.15 Other income

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Liability no longer required written back	774,993	-
Profit on sale of fixed assets (net)	-	6,742
Others	4,040	437,259
Total	779,033	444,001

2.16 Employee benefits expense

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Salaries and bonus	9,518,766	8,557,989
Contribution to provident and other funds [See Note 2.21]	852,487	667,063
Staff welfare expenses	339,834	328,057
Total	10,711,087	9,553,109

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.17 Other expenses

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Power and fuel (net of recovery ₹ 511,533; previous year ₹ 594,037)	1,016,601	975,086
Rent including lease rentals (net of recovery ₹ 1,000,000 ; previous year ₹ 1,320,000) [See Note 2.24 (a)]	1,824,367	962,700
Repairs and Maintenance:		
-Buildings (net of recovery ₹ 1,000,000 ; previous year ₹ 1,320,000)	1,315,000	1,016,564
-Others	941,434	619,221
	<u>2,256,434</u>	<u>1,635,785</u>
Insurance	33,432	41,669
Rates and taxes	-	17,190
Communication expenses (net of recovery ₹ 23,492 ; previous year ₹ 20,086)	265,919	347,266
Travelling and conveyance	1,080,272	2,501,160
Printing and stationery	221,310	248,627
Business promotion	357,697	787,121
Legal and Professional Fees	1,298,322	2,574,031
Payment to auditors [See Note 2.17 (a) below]	1,505,624	1,546,793
Loss on Fixed Assets written off	18,940	-
Directors' fees	1,438,208	1,978,180
Membership fees	569,928	1,597,838
Write down on reclassification of investment (net)	48,837	-
Miscellaneous expenditure	1,652,406	1,134,201
Total	<u>13,588,297</u>	<u>16,347,647</u>

2.17 (a) Payments to the auditors

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
For statutory audit	350,000	350,000
For other services	990,000	1,005,000
Reimbursement of expenses	-	24,311
Service tax	165,624	167,482
Total	<u>1,505,624</u>	<u>1,546,793</u>

2.18 Contingent liabilities and commitments not provided for

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
-------------	--------------------------------	--------------------------------

(i) Contingent liabilities:
(a) Claims against the Company not acknowledged as debt

- Disputed income-tax matters in appeal	1,31,01,449	1,18,63,325
- Disputed wealth-tax matter in appeal	32,50,246	32,50,246

In respect of above items, outflow of resources would depend upon the outcome of the appeal.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
(b) Guarantees

Guarantees given to banks on behalf of associate company 25,34,00,000 25,34,00,000

The Company has received counter-guarantees from other parties amounting to ₹ 190,050,000 (previous year ₹ 190,050,000) against the aforesaid guarantees given by the Company to the banks.

(ii) Commitments:
(a) Other Commitments

Non-cancellable contractual commitments - See Note 2.24

2.19 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Particulars	Balance as at 31st March, 2014 ₹	Maximum balance outstanding during the year ended 31st March, 2014 ₹
Loans and advances in the nature of loans to subsidiaries, associates, firms/companies in which directors are interested:		
Subsidiary:		
-IITL Projects Limited	100,000,000 (100,000,000)	100,000,000 (100,000,000)
Associates:		
-World Resorts Limited	20,000,000 (-)	20,000,000 (-)
-IITL Nimbus The Express Park View	227,500,000 (127,500,000)	227,500,000 (127,500,000)
-IITL Nimbus The Palm Village	172,500,000 (300,000,000)	300,000,000 (300,000,000)
-IITL Nimbus The Hyde Park Noida	150,000,000 (-)	250,000,000 (-)
-MRG Hotels Limited	15,000,000 (-)	15,000,000 (-)
Loans and advances in the nature of loans where there is, (a) no repayment schedule or repayment is beyond seven years or (b) no interest or interest is below rates stipulated in Section 372A of the Companies Act, 1956:		
(i) Yash Safety Product Limited*	2500,000 (2,500,000)	2500,000 (2,500,000)
(ii) Micro Precision Pumps & Gears Limited*	2,000,000 (2,000,000)	20,00,000 (2,000,000)

* The amount has been provided in earlier years. There is no repayment schedule nor has any interest been charged.

Figures in brackets are for the previous year.

2.20 Expenditure in foreign currency

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Business promotion expenses	-	91,066
Total	-	91,066

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.21 Employee Benefits
(a) Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under Contribution to provident fund and other funds in Note 2.16 for the year are as under:

Particulars	31st March, 2014	31st March, 2013
	₹	₹
Employer's contribution to Regional Provident Fund Commissioner	570,466	513,558
Employer's contribution to Family Pension Fund	57,574	53,970

(b) Defined Benefit Plan

The Company offers its employees defined-benefit plan in the form of a Gratuity Scheme. Benefits under the defined benefits plan are typically based on years of service and the employees compensation covering all regular employees. Commitments are actuarially determined at year-end. The benefits vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Particulars	Gratuity (funded)	
	31st March, 2014	31st March, 2013
	₹	₹
i Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as at the beginning of the year	1,214,994	984,199
Interest Cost	97,200	78,736
Current Service Cost	252,988	235,471
Benefits paid	-	-
Net Actuarial (Gain)/Loss	25,444	(83,412)
Present value of Defined Benefit Obligation as at the end of the year	1,590,626	1,214,994
ii Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	1,680,788	1,519,032
Expected return on Plan Assets	151,185	131,260
Net Actuarial Gain / (Loss)	6,597	-
Employer's Contribution	228,577	30,496
Benefits paid	-	-
Fair value of Plan Assets as at the end of the year	2,067,147	1,680,788

The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:

Bank Balance	8.22%	9.71%
Funds maintained with Life Insurance Corporation of India	91.78%	90.29%

Note: The Company is unable to obtain the details of major category of plan assets from the insurance company (Life Insurance Corporation of India) and hence the disclosure thereof is not made.

iii Net assets / (liabilities) recognised in the Balance Sheet

Present value of Defined Benefit Obligation	(1,590,626)	(1,214,994)
Fair value of Plan Assets	2,067,147	1,680,788
Net assets recognised in the Balance Sheet	476,521	465,794

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.21 Employee Benefits (contd.)

Particulars	Gratuity (funded)	
	31st March, 2014 ₹	31st March, 2013 ₹
iv Components of Employer's Expenses		
Current Service Cost	252,988	235,471
Interest Cost	97,200	78,736
Expected return on Plan Assets	(151,185)	(131,260)
Net Actuarial Loss / (Gain)	25,444	(83,412)
Total expense recognised in Statement of Profit and Loss (See 'Contribution to provident and other funds' in Note 2.16)	224,447	99,535
Actual return on Plan Assets	151,185	131,260
Estimated contribution in the next year	170,000	225,000
v Actuarial Assumptions		
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	LIC (1994-96) (Ultimate)
Discount rate	8%	8%
Expected rate of return on Plan Assets	9.96%	8.64%
Salary escalation	6%	6%
vi a. The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.		
b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.		
c. Expected rate of return on assets is determined based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.		
vii Experience adjustment:		

	Gratuity (Funded)				
	31st March, 2014 ₹	31st March, 2013 ₹	31st March, 2012 ₹	31st March, 2011 ₹	31st March, 2010 ₹
1. Present Value of Defined Benefit Obligation	1,590,626	1,214,994	984,199	770,309	571,821
2. Fair Value of Plan Assets	2,067,147	16,80,788	1,519,032	1,218,202	840,974
3. Funded Status [Surplus]	476,521	465,794	534,833	447,893	269,153
4. Net Asset	476,521	465,794	534,833	447,893	269,153
5. Experience adjustment arising on:					
a. Plan Liabilities (Gain)/Loss	25,444	(83,412)	(59,644)	(55,540)	46,798
b. Plan Assets (Gain)/Loss	29,784	9,737	20,174	9,804	5,639

viii The above information is as certified by the actuary and relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.22 Earnings per share

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
	₹	₹
(a) Profit for the year	140,193,851	85,639,805
(b) Less: Adjustment for dividend and dividend distribution tax on CCPS	1,552,508	1,431,698
(c) Net amount available for equity shareholders	138,641,344	84,208,106
(d) Weighted average number of equity shares for Basic Earnings per share (Nos.)	21,220,564	17,793,122
(e) Effect of weighted average of potential equity shares on conversion of CCPS (Nos.)	1,326,986	1,223,726
(f) Weighted average number of equity shares for Diluted Earnings per share (Nos.)	22,547,550	19,016,848
(g) Basic Earnings per share (Face value ₹ 10/-)	6.53	4.73
(h) Diluted Earnings per share	6.22	4.50

2.23 Related party disclosures:

- (i) Names of related parties:
- (a) Names of related parties and nature of related party relationship where control exists are as under:
- Subsidiary companies: IIT Investrust Limited
IITL Projects Limited
IIT Insurance Broking and Risk Management Private Limited
IIT Media and Entertainment Private Limited
- Joint venture: Future Generali India Life Insurance Company Limited
(w.e.f. 17th December, 2013)
- (b) Names of other related parties and nature of relationship where there are transactions with related parties:
- Key management personnel: Dr. B. Samal, Executive Chairman
- Associate company: World Resort Limited (w.e.f. 28th August, 2012)
- Entities over which the company can exercise significant influence: IITL Nimbus The Express Park View - a partnership firm
IITL Nimbus The Palm Village - a partnership firm
IITL Nimbus The Hyde Park Noida -a partnership firm
Capital Infraprojects Private Limited
MRG Hotels Limited (w.e.f. 28th August, 2012)
- (ii) Transactions with related parties:
- (a) Key management personnel:

Sr. No.	Nature of transactions	₹
(A)	Remuneration paid to Dr. B. Samal	3,341,667
		(2,352,000)

Figures in brackets are for the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.23 Related party disclosures: (contd)

(b) Other related parties:

Sr. No.	Nature of transactions	Subsidiary companies ₹	Associate company ₹	Entities under Significant influence ₹
(A)	Loans given			
	-IITL Projects Limited	- (30,000,000)		
	-IIT Insurance Broking & Risk Management Private Limited	50,000,000 (-)		
	-IITL Nimbus The Express Park View			100,000,000 (35,000,000)
	-IITL Nimbus The Palm Village			- (205,000,000)
	-IITL Nimbus The Hyde Park Noida			250,000,000 (-)
	-World Resorts Limited		20,000,000 (-)	
	-MRG Hotels Limited			15,000,000 (-)
(B)	Refund of loans given			
	-IIT Insurance Broking & Risk Management Private Limited	50,000,000 (-)		
	-IITL Nimbus The Palm Village			127,500,000 (-)
	- IITL Nimbus the Hyde Park Noida			100,000,000 (-)
(C)	Interest income			
	- IITL Projects Limited	12,591,782 (10,328,219)		
	-IIT Insurance Broking & Risk Management Private Limited	2,054,795 (-)		
	-IITL Nimbus The Express Park View			17,502,739 (12,952,603)
	-IITL Nimbus The Palm Village			29,995,890 (22,510,686)
	-IITL Nimbus The Hyde Park Noida			14,157,534 (-)
	-World Resorts Limited		1,123,425 (-)	
	-MRG Hotels Limited			569,795 (-)
(D)	Dividend received			
	-IIT Insurance Broking & Risk Management Private Limited	37,500,000 (-)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.23 Related party disclosures: (contd)

Sr. No.	Nature of transactions	Subsidiary companies	Associate company	Entities under Significant influence
		₹	₹	₹
(E)	Investments in preference shares - IITL Projects Limited - World Resorts Limited	- (350,000,000)	- (250,000,000)	
(F)	Investments in Equity shares - World Resorts Limited		- (155,181,250)	
(G)	Reimbursement of Rent expenses from - IITL Projects Limited - IIT Insurance Broking & Risk Management Private Limited - IIT Investrust Limited	300,000 (300,000) 300,000 (300,000) 400,000 (720,000)		
(H)	Reimbursement of Repair & Maintenance expenses from - IITL Projects Limited - IIT Insurance Broking & Risk Management Private Limited - IIT Investrust Limited	300,000 (300,000) 300,000 (300,000) 400,000 (720,000)		
(I)	Reimbursement of communication expenses from - IITL Projects Limited - IIT Insurance Broking & Risk Management Private Limited - IIT Investrust Limited	5,827 (5,022) 5,827 (5,022) 11,838 (10,042)		
(J)	Reimbursement of Power and fuel from - IITL Projects Limited - IIT Insurance Broking & Risk Management Private Limited - IIT Investrust Limited	153,814 (148,510) 153,814 (148,510) 203,905 (297,017)		
(K)	Rent Expenses - IIT Investrust Limited	541,667 (-)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)
2.23 Related party disclosures: (contd)
(iii) Balances at year-end

Sr. No.	Nature of transactions	Subsidiary companies	Associate company	Entities under Significant influence
		₹	₹	₹
(A)	Amount receivable as at year-end			
	-IIT Investtrust Limited	29,999 (441,389)		
	- IITL Projects Limited	100,028,916 (10,086,800)		
	-IIT Insurance Broking & Risk Management Private Limited	- (192,600)		
	-IITL Nimbus The Express Park View			227,500,000 (127,500,000)
	-IITL Nimbus The Palm Village			172,500,000 (300,000,000)
	-IITL Nimbus The Hyde Park Noida			150,000,000 (-)
	-World Resorts Limited		20,654,661 (-)	
	-MRG Hotels Limited			15,000,000 (-)
(B)	Amount payable as at year-end			
	-IIT Insurance Broking & Risk Management Private Limited	80,040 (-)		

Figures in brackets are for the previous year.

2.24 Details of leasing arrangements

The Company has taken an office premise and residential premise on operating lease. There are no restrictions imposed by the lease arrangement. There are no sub-leases. The lease rental expense recognised in the Statement Profit and Loss for the year is ₹ 1,824,367 (previous year: ₹ 962,700). [net of recoveries ₹ 1,000,000 (previous year: ₹ 1,320,000)]

The future minimum lease payments under non-cancellable operating leases for each of the following periods:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
	₹	₹
Not later than one year	3,782,700	2,282,700
Later than one year but not later than five years	2,885,900	3,043,600
Later than five years	-	-
Total	6,668,600	5,326,300

2.25 Interest in joint ventures

The Company has interests in the following joint ventures:

Sr. No.	Name of joint venture and country of incorporation	% of interest
1	Future Generali India Life Insurance Company Limited (FGILICL) (India)	22.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Financial interest of the company in jointly controlled entities is as under:

Sr. No.	Particulars	Amount of interest based on the audited accounts for the year ended 31 March, 2014
		₹
1	Assets	5,712,460,552
2	Liabilities	5,152,691,936
3	Income	732,701,361
4	Expenditure	812,310,910
5	Contingent liabilities	1,281,600
6	Capital commitments	212,175

Note: Previous year figures are not applicable as FGILICL has become a Joint Venture w.e.f. December 17, 2013.

2.26 Disclosure of details as required by para 5 of Reserve Bank of India Circular No. RBI 2008-09/116 DNBS (PD). CC.No. 125/03.05.002/2008-09.

2.26 (a) Capital to Risk Assets Ratio ("CRAR")

Items	As at 31-Mar-14	As at 31-Mar-13
CRAR (%)	87.69	124.60
CRAR - Tier I Capital (%)	87.58	124.56
CRAR - Tier II Capital (%)	0.12	0.04

2.26 (b) Exposure to Real Estate Sector

Category	2013-14	2012-13
i) Direct Exposure		
Residential Mortgages -	Nil	Nil
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
-Individual housing loans up to ₹15 lakh	Nil	Nil
-Individual housing loans above ₹15 lakh	Nil	Nil
Commercial Real Estate -	Nil	Nil
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial buildings, multi-tenanted commercial premises, multi-family residential premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.		
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1. Residential	Nil	Nil
2. Commercial Real Estate	Nil	Nil
ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

Note: The Company has given unsecured short term loans to its subsidiary and joint ventures of that subsidiary engaged in real estate business of construction of residential complexes which are not covered by the above mentioned categories. The outstanding balance of such loans is ₹ 650,000,000 (Previous year ₹ 527,500,000).

2.26 (c) Maturity pattern of certain items of Assets and Liabilities (Based on RBI Guidelines at Book values) For the year 2013-14

Particulars	Liabilities		Assets	
	Borrowing from banks	Market Borrowing	Advances	Investments
1 day to 30/31 days (One month)	-	-	-	100,972,636
Over one month to 2 months	-	-	-	-
Over 2 months upto 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 1 year	-	-	685,000,000	-
Over 1 year to 3 years	-	-	-	-
Over 3 years to 5 years	-	-	-	-
Over 5 years	-	-	-	4,435,395,162
Total	-	-	685,000,000	4,536,367,798

Note:

The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration structural liquidity guidelines for assets-liabilities management (ALM) system in non-banking financial companies issued by RBI, best practices and best estimate of the Assets-Liability Committee with regard to the timing of various cash flows, which has been relied upon by the auditors.

2.27 The Company is engaged in Investment activities and in Insurance business undertaken through the joint venture company FGILICL. Hence there are two reportable business segments as per Accounting Standard-17 Segment Reporting notified by the Companies (Accounting Standards) Rules, 2006. The Company operates only in one geographical segment i.e. India.

The segment information has been provided in the consolidated financial statements.

2.28 The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (now known as Future Retail Limited) to acquire 22.5% of its equity stake in Future Generali India Life Insurance Company Ltd (FGILICL). Pursuant to approval received from CCI, RBI & IRDA the transaction was consummated on December 17, 2013 for a total consideration of ₹ 340 crores. FGILICL has now become a joint venture of the Company.

The management views the investment in positive light as insurance industry plays a crucial role in the growth and development of the overall economy. There is a huge potential to be tapped across India for not only life but also micro insurance. Life Insurance Industry has a long gestation period and the Company views this as a long term investment. Having regard to this and the projections made by FGILICL, the management of the Company is of the view that, although the network of FGILICL as at March 31, 2014 has substantially eroded, there is no diminution other than temporary in the value of investment of the Company in FGILICL as at March 31, 2014.

2.29 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

Schedule to the Balance Sheet as at 31st March, 2014 of a non-deposit taking non-banking financial Company
(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank), Directions, 2007)

	Particulars	31-03-2014		31-03-2013	
	Liabilities Side:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans - Cash credit from bank	-	-	-	-
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive interest accrued thereon but not paid):				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other Public deposits	-	-	-	-
	Particulars	31-03-2014		31-03-2013	
	Assets side :	Amount outstanding		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : (net of provisions for doubtful loans)				
	(a) Secured		-		-
	(b) Unsecured	685,058,915		528,157,233	
	Total	685,058,915		528,157,233	
(4)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Financial lease		-		-
	(b) Operating lease		-		-
	(ii) Stock on hire including hire charges under sundry debtors :				
	(a) Assets on hire		-		-
	(b) Repossessed Assets		-		-
	(iii) Other loans counting towards AFC activities :				
	(a) Loans where assets have been repossessed		-		-
	(b) Loans other than (a) above		-		-

(5) Break-up of Investments :(net of provisions for diminution)		
Current Investments :		
1. Quoted :		
(i) Shares :(a) Equity	-	374,760
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	273,091,757
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares :(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term Investments :		
1. Quoted :		
(i) Shares :(a) Equity	237,095,709	243,969,786
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares :(a) Equity	3,699,091,250	299,091,250
(b) Preference	600,000,000	600,000,000
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - Immovable property	180,839	190,356
(vi) Others-Share Application Money	-	-
	4,536,367,798	1,416,717,909

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (net of provisions for doubtful loans)

Category	31-03-2014			31-03-2013		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	100,058,915	100,058,915	-	100,657,233	100,657,233
(b) Companies in the same group	-	585,000,000	585,000,000	-	427,500,000	427,500,000
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	30,306,137	30,306,137	-	2,632,193,322	2,632,193,322
Total	-	715,365,052	715,365,052	-	3,160,350,555	3,160,350,555

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	31-03-2014		31-03-2013	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	532,040,696	630,033,073	575,362,894	630,033,073
(b) Companies in the same group	3,805,181,250	3,805,181,250	405,181,250	405,181,250
(c) Other related parties	-	-	-	-
2. Other than related parties	57,409,791	101,153,475	51,001,376	108,037,069
Total	4,394,631,737	4,536,367,798	1,031,545,520	1,143,251,392

(8) Other information

Particulars	31-03-2014 Amount	31-03-2013 Amount
(i) Gross Non-performing Assets		
(a) Related parties	-	-
(b) Other than related parties	4,500,000	4,500,000
(ii) Net Non-performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

INDUSTRIAL INVESTMENT TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF INDUSTRIAL INVESTMENT TRUST LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INDUSTRIAL INVESTMENT TRUST LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitutes "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associate referred in paragraph 1 under the Other Matters below, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.35 of the consolidated financial statements. As stated in the Note the net worth of Future Generali India Life Insurance Company Limited ("FGILICL"), a jointly controlled entity of the Group, as at 31st March 2014 has substantially eroded. However, the Management of the Company is of the view, for the reasons stated in the Note, that there is no impairment as at 31st March, 2014 in the value of Goodwill on consolidation arising on such acquisition.

Our opinion is not qualified in respect of this matter.

Other Matters

1. We did not audit the financial statements of three subsidiaries and five jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 886,516,900 as at 31st March, 2014, total revenues of ₹ 1,850,213,465 and net cash outflows amounting to ₹ 32,227,157 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 7,939,412 for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.
2. In the case of Future Generali India Life Insurance Company Limited (FGILICL), a jointly controlled entity, the actuarial valuation of liabilities of life policies is the responsibility of the FGILICL's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at 31st March, 2014 has been duly certified by the appointed actuary. The appointed actuary has also certified that in his opinion the assumption for such valuation are in accordance with the guidelines and norms, issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. FGILICL auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the financial statements of FGILICL.

Our opinion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 117365W)

Uday Neogi
Partner

(Membership No. 30235)

MUMBAI: 20th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	225,475,500	225,475,500
Reserves and surplus	2.2	5,011,844,794	5,042,195,513
		5,237,320,294	5,267,671,013
Minority Interest		26,741,057	27,336,752
Non-current liabilities			
Long-Term Borrowings	2.3	64,167,000	-
Deferred tax liabilities (net)	2.4	-	1,324,850
Other long-term liabilities	2.5	1,190,355,980	1,321,975,696
Policy Liabilities (Policyholder's Fund)		4,918,844,735	-
Long-term provisions	2.6	10,643,064	3,715,854
		6,184,010,779	1,327,016,400
Current liabilities			
Short term borrowings	2.7	147,677,500	127,062,500
Trade payables	2.8	419,772,644	290,006,643
Other current liabilities			
- Policy Liabilities (Policyholder's Fund)		126,610,641	-
- Other	2.9	1,462,057,457	1,231,633,839
Short-term provisions	2.10	104,246,066	62,545,491
		2,260,364,308	1,711,248,473
TOTAL		13,708,436,437	8,333,272,638
ASSETS			
Non-current assets			
Fixed assets	2.11		
(i) Tangible assets		109,957,031	14,533,455
(ii) Intangible assets		7,699,094	2,011,084
(iii) Capital work-in-progress		202,497	-
Goodwill on consolidation (See Note 2.35)		2,849,438,501	88,816,011
Non-current investments	2.12	3,951,933,688	574,687,305
Long-term loans and advances	2.13	150,709,105	2,566,060,289
Deferred tax assets (net)	2.4	6,570,963	1,604,920
Other non-current assets	2.14	1,674,145	12,176,475
TOTAL		7,078,185,024	3,259,889,539
Current assets			
Current investments	2.15	2,093,186,864	398,159,520
Inventories	2.16	2,782,766,987	2,694,190,073
Trade receivables	2.17	381,597,163	297,879,789
Cash and bank balances	2.18	518,902,242	1,170,782,094
Short-term loans and advances	2.19	519,101,598	447,262,512
Other current assets	2.20	334,696,559	65,109,111
		6,630,251,413	5,073,383,099
TOTAL		13,708,436,437	8,333,272,638

See accompanying notes forming part of the financial statements

In terms of our report attached. For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS Dr. B. SAMAL BIPIN AGARWAL
Chartered Accountants Chairman Director

UDAY NEOGI CUMI BANERJEE
Partner CEO & Company Secretary

Mumbai: 20th May, 2014

Mumbai: 20th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	For the Year ended 31st March, 2014 ₹	For the Year ended 31st March, 2013 ₹
Revenue from operations	2.21	1,387,891,360	1,210,344,137
Premium from Insurance Business		548,129,899	-
Other Operating income from Insurance Business		78,628,997	-
Other Income from Insurance Business		105,942,465	-
Other income	2.22	38,887,526	24,369,766
Total Revenue		2,159,480,247	1,234,713,903
Cost of sales	2.23	1,079,033,121	814,850,085
Employee benefits expense	2.24	61,996,326	76,562,250
Finance costs	2.25	6,108,335	223,462
Benefits paid pertaining to Insurance Business (Net)		205,668,608	-
Commission and Operating expenses pertaining to Insurance Business		511,389,702	-
Other expenses pertaining to Insurance Business		90,248,716	-
Depreciation and amortisation expense			
- on investment property		9,517	10,019
- on fixed assets	2.11	8,891,483	4,480,208
Other expenses	2.26	105,888,824	121,968,141
Provision for diminution in value of investments		7,200,000	8,600,000
Contingent provisions against standard assets		120,000	951,000
Provision for write-down in value of current Investment		-	149,378
Loss from trading of equity stock futures		-	1,307,910
Net loss on sale of current investments		211,864	-
Total expenses		2,076,766,496	1,029,102,453
Profit before exceptional items and tax		82,713,751	205,611,450
Exceptional items		-	-
Profit before tax		82,713,751	205,611,450
Tax expense:			
- Current tax		82,301,300	80,950,056
- MAT credit entitlement		(18,200,000)	(19,920,091)
- Deferred tax		(6,290,891)	(534,876)
- Current tax expense relating to prior years		883,985	-
		58,694,394	60,495,089
Profit after taxation and before adjustment of minority interest		24,019,357	145,116,361
Less: Net Profit attributable to minority interest		(595,695)	25,617,318
Profit after taxation and after minority interest		24,615,052	119,499,043
Less: Share of loss of associate for the year		(7,939,412)	(13,531,014)
Profit for the year		16,675,640	105,968,029
Earnings per equity share:	2.30		
Basic		0.71	5.88
Diluted		0.71	5.57
Nominal Value per equity share		10.00	10.00

See accompanying notes forming part of the financial statements

In terms of our report attached. For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS Dr. B. SAMAL BIPIN AGARWAL
Chartered Accountants Chairman Director

UDAY NEOGI CUMI BANERJEE
Partner CEO & Company Secretary

Mumbai: 20th May, 2014

Mumbai: 20th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the Year ended 31st March, 2014 ₹	For the Year ended 31st March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	82,713,751	205,611,450
Adjustments for:		
Depreciation on fixed assets *	9,992,575	4,480,208
Depreciation on investment on immovable property	9,517	10,019
Interest income **	(133,593,617)	(101,121,191)
Provision for bad debts	6,540,307	-
Loss on write off / sale of fixed assets	704,202	435,441
Interest on income tax	5,244,223	1,927
Interest on loans *	4,499,958	-
Dividend income **	(6,193,242)	(3,879,072)
Liability no longer required written back	(774,993)	-
Provision for diminution in value of investments	7,200,000	8,600,000
Contingent provision against standard assets	120,000	951,000
Write down on reclassification of investment	48,840	-
Loss/(profit) on sale of current investments (net)	211,864	(4,987,569)
Net profit on sale of Non-current investments	-	(1,340,413)
Operating (profit) / loss before working capital changes	(23,276,615)	108,761,800
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories (See Note 3 below)	(38,732,781)	(224,510,639)
Trade receivables	(83,909,993)	(16,048,332)
Short-term loans and advances	(43,504,112)	(46,948,844)
Long-term loans and advances	3,751,644	5,335,615
Other current assets	(71,432,312)	(11,567,338)
Other non-current assets	10,144,882	(11,559,388)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	75,800,943	73,403,542
Other current liabilities	214,171,605	289,789,806
Short-term provisions	597,097	(936,380)
Other long-term liabilities	(131,619,716)	(109,451,438)
Policy Liabilities	363,572,961	-
Long-term provisions	6,927,211	2,668,897
Other adjustments :		
Bank balances not considered as cash and cash equivalents		
-Placed	(6,936,008,642)	(13,415,712,459)
-Matured	7,507,822,321	12,763,866,163
Purchase of long-term investments		
-Associate	-	(250,000,000)
-Others	-	(12,128,800)
Sale of long-term investments		
-Others	-	2,858,378
Purchase of current investments	(35,000,000)	(580,629,885)
Sale of current investments	307,296,763	309,453,710
Amount paid for acquiring equity shares [See Note 2.13a]	(900,000,000)	(2,500,000,000)
Loans Given:		
-Associate	(35,000,000)	-
-Joint Venture	(190,000,000)	(126,000,000)
-Others	-	(100,000,000)
Repayment of loans		
-Joint Venture	121,937,500	-
-Others	100,000,000	-
Interest received		
-Associate	33,761,983	15,581,281
-Others	70,861,288	57,908,859
Cash flow from operations	328,162,027	(3,775,865,451)
Net income tax paid	(66,953,407)	(32,729,790)
Net cash generated from / (used in) operating activities (A)	261,208,620	(3,808,595,241)

* Includes depreciation/Interest on loans included under Commission and Operating expenses pertaining to Insurance Business.

** Includes Interest income/ Dividend income included under Other Income from Insurance Business

Particulars	For the Year ended 31st March, 2014 ₹	For the Year ended 31st March, 2013 ₹
B. CASH FLOW FROM INVESTING ACTIVITIES		
Bank balances not considered as cash and cash equivalents	(3,705,870)	(63,029,431)
Purchase of non current investments	(297,655,366)	(32,500,000)
Purchase of current investments	(398,293,079)	(725,782,683)
Proceeds from Sale of current investments	382,327,944	638,421,355
Interest received (See Note 3 below)	9,010,024	18,001,482
Dividend income	5,202,667	3,879,072
Purchase of fixed assets	(104,882,482)	(3,719,367)
Proceeds from sale of fixed assets	90,991	727,495
Net cash used in investing activities (B)	(407,905,171)	(164,002,077)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of equity share (including GDS)	-	3,354,044,940
Proceeds from Issue of Compulsorily Convertible Preference Shares (CCPS)	-	957,918,029
Borrowings availed	212,643,285	88,825,000
Repayment of borrowings	(127,861,285)	(170,437,500)
Finance cost (See Note 3 below)	(60,534,957)	(33,857,828)
Dividend paid	(30,927,037)	(15,000,000)
Tax on dividend paid	(6,083,438)	(2,433,000)
Net cash (used in) / generated from financing activities (C)	(12,763,432)	4,179,059,641
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(159,459,983)	206,462,322
Cash and cash equivalents at the beginning of the year	329,767,431	123,305,109
Cash and cash equivalents acquired on acquisition of interest in a Joint Venture	34,085,440	-
Cash and cash equivalents at the end of the year (See Note 2.18)	204,392,888	329,767,431

Notes:

- Cash flows relating to investment activities of the parent company are included under operating activities.
- Direct tax paid is treated arising from operating activities and is not bifurcated between investing and financing activities.
- Changes in inventories is after adjusting borrowing costs capitalised. Interest received is inclusive of amount netted of from inventories and finance cost is inclusive of amount capitalised under inventories.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3
- Previous year figures have been regrouped wherever necessary.

In terms of our report attached.	For and on behalf of the Board of Directors	
For DELOITTE HASKINS & SELLS	Dr. B. SAMAL	BIPIN AGARWAL
Chartered Accountants	Chairman	Director
UDAY NEOGI	CUMI BANERJEE	
Partner	CEO & Company Secretary	
Mumbai: 20th May, 2014	Mumbai: 20th May, 2014	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Basis of consolidation :

The consolidated financial statements relate to Industrial Investment Trust Limited (the Company), its Subsidiaries and Jointly Controlled Entities (the Group). The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 211(3C) of the Companies Act, 1956.

- 1.2 (i) The financial statements of the following subsidiaries have been consolidated as per Accounting standard 21 on "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006:

Name of Subsidiary	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Extent of holding (%)	Extent of holding (%)
(i) IIT Investtrust Limited (IITIL)	99	99
(ii) IIT Insurance Broking and Risk Management Private Limited (IITIBRMPL)	100	100
(iii) IITL Projects Limited (IITLPL)	71.74	71.74
(iv) IIT Media and Entertainment Private Limited (IITMEPL)	100	100

All the Subsidiaries mentioned above are incorporated in India.

- (ii) The financial statements of the following jointly controlled entities, have been consolidated as per Accounting standard 27 on "Financial Reporting of Interest in Joint Ventures" as notified by the Companies (Accounting Standards) Rules, 2006:

Name of Jointly Controlled Entity	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Extent of holding (%)	Extent of holding (%)
(i) Capital Infraprojects Private Limited (CIPL)	50	50
(ii) IITL Nimbus The Hyde Park Noida	45	45
(iii) IITL Nimbus The Express Park View	47.50	47.50
(iv) IITL Nimbus The Palm Village	47.50	47.50
(v) Future Generali India Life Insurance Company Limited (FGILICL)	22.50 (w.e.f. 17th December, 2013)	Nil

All the jointly controlled entities mentioned above are incorporated in India.

- (iii) The following associate, investment in which is accounted using equity method as per Accounting standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006:

Name of Associate Company	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Extent of holding (%)	Extent of holding (%)
World Resorts Limited	25	25 (w.e.f. 28th August, 2012)

1.3 Principles of consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra - group balances and intra - group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
- (ii) The financial statements of the jointly controlled entities have been

consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra - group balances and intra - group transactions resulting in unrealised profits or losses as per Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' as notified by the Companies (Accounting Standards) Rules, 2006 using the "proportionate consolidation" method.

- (iii) The financial statements of the subsidiaries and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March, 2014.
- (iv) The excess of cost to the Company of its investment in the subsidiaries and jointly controlled entities over the Company's portion of equity, at the dates on which the investments are made/acquired, is recognised in the financial statements as Goodwill being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiaries & jointly control entities as on the dates of investment /acquisition is in excess of cost of the investment of the company, it is recognised as Capital Reserve & shown under the head Reserves & Surplus in the Consolidated Financial Statements.
- (v) Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments.

1.4 Significant Accounting Policies:

(i) Basis of accounting:

The financial statements of the Group have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the previous year. 'The Consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs). The Company follows the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Financial Statements of FGILICL are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and in compliance with the Accounting Standards as prescribed in the Companies (Accounting Standards) Rules, 2006, the provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (The Accounting Regulations) and relevant regulations notified by the Insurance Regulatory and Development Authority issued thereafter and as per the Companies Act, 1956, to the extent applicable.

(ii) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Revenue recognition:

Other than Insurance Business :

- (a) Interest on all lending such as inter-corporate deposits, finance against securities and fixed deposits are accounted on time proportionate basis.
- (b) Rental income is accrued on the basis of the agreement.
- (c) Dividend is accounted when the right to receive payment is established.
- (d) Profit/Losses from share trading/investment activities is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of contract notes.
- (e) Fees from real estate consultancy are accounted as per the terms of contract with the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

- (f) Revenue from real estate projects is recognised on the Percentage of Completion Method. Revenue is recognised in relation to the areas sold, on the basis of percentage of actual costs incurred as against the total estimated cost of the project under execution, subject to such actual costs being 25 percent or more of the total estimated cost. Land costs are not included for the purpose of computing the percentage of completion.

In case of Joint venture Entities in real estate activities, revenue from Real estate projects is recognized as per the Guidance Note on Accounting for Real Estates transactions (revised 2012) issued by ICAI. It is based on Percentage of completion method.

The estimates of saleable area and costs are revised periodically by the Management. The effect of such changes in estimates is recognised in the period such changes are determined.

- (g) Commission and brokerage from insurance broking business is credited to income on the date of issue of the prime documents by the Insurance Company, except where there are material installments, in which case the brokerage is booked on the due date of the installment. Adjustments to brokerage arising from premium additions, reductions and renewal directly deposited by the client are taken into account as and when they are known.
- (h) Brokerage income from stock broking activities is recognised on the basis of Contract Notes issued.
- (i) Revenue in case of corporate finance income is recognised on the proportionate completion method based on management estimates of the stages of completion of the contracts.
- (j) Net income from trading of securities is accounted for on the basis of Stock Brokers Contract Notes.
- (k) Profit/Losses from share trading/investment activities is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of contract notes.
- (l) Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.
- (m) Equity Stock - Futures:

In accordance with Guidance Note on "Accounting for Equity Index and Equity Stock Futures and Options" issued by The Institute of Chartered Accountants of India.

- (a) Equity Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, are disclosed under Loans and Advances or Current Liabilities respectively. The "Mark-to-Market Margin Equity Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of Stock Futures till the Balance Sheet date.
- (b) As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Stock Futures are accounted for as follows:
- Credit balance in the "Mark-to-Market Margin - Equity Stock Futures Account", being anticipated profit, is ignored and no credit is taken in Statement of Profit and Loss.
- Debit balance in the "Mark-to-Market Margin - Equity Stock Futures Account", being anticipated loss, is recognised in Statement of Profit and Loss.
- (c) On final settlement or squaring-up of contracts for Equity Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in "Mark-to-Market Margin - Equity Stock Futures Account" is recognised in Statement of Profit and Loss upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out Method for calculating profit/ loss on squaring-up.
- (d) "Initial Margin - Equity Stock Futures Account", representing the initial margin and "Margin Deposits" representing additional margin paid over and above the initial margin, for entering into contracts for Equity Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

1.4 Significant Accounting Policies: (contd.)

Insurance Business

Life Insurance Premium :

- (a) Premium (net of service tax) is recognised as income when due from policyholders. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies. In respect of linked business, premium income is recognised when the associated units are allotted.
- (b) Top up premiums are considered as single premium.

Others :

- (c) Interest on investments and loans are recognised on accrual basis. Accretion of discount and amortization of premium in respect of debt securities is affected over the remaining term of such instruments on constant yield basis. In case of Treasury Bills /Commercial Papers/ Certificate of Deposits/CBLO, accretion of discount is effected over the remaining period of instruments on Straight Line Basis.
- (d) In case of unit linked business, fund management charges, administration charges and mortality charges are recognised in accordance with the terms and conditions of the policy.
- (e) In respect of debt securities held on account of Shareholders and Non-Linked Policyholders Funds, the realised gains and losses are calculated as difference between net sales proceeds or redemption proceeds and amortised cost. Cost in respect of these securities is computed using weighted average method. In case of unit linked Funds, realised profit/ loss on Debt securities are calculated as the difference between the net sales proceeds and their weighted average cost.

In case of Treasury Bills/Commercial Papers/Certificate of Deposits/ CBLO, the same is calculated as difference between Net sales proceeds and amortised cost.

Reinsurance premium :

- (f) Premium ceded on reinsurance is accounted in accordance with the terms of the treaty.

(iv) Inventories :

- (a) Inventories are valued at lower of cost and net realisable value. Construction material cost is determined on a First in First Out basis. Construction work in progress comprises premium for development rights and expenditure relating to construction after ascertaining the cost of sales which is determined based on the total area sold as at the Balance Sheet date.
- (b) Stock of shares held as inventory has been valued at Cost or Market price whichever is lower. Cost is determined on weighted average basis.

(v) Fixed Assets :

Tangible Asstes :

Fixed assets are stated at cost of acquisition less accumulated depreciation and amortisation. Cost comprises of the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

Intangible Asstes :

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

(vi) Depreciation and amortisation:

- (a) Depreciation on fixed assets is provided on the written down value basis at the rates prescribed in Schedule XIV to Companies Act, 1956, except in respect of: (a) IITIL where depreciation is provided on straight line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956; (b) IITL-Nimbus Hyde Park, Noida and IITL-Nimbus Express Park View, joint venture partnership firms where depreciation is provided on written down value method, at rates and in the manner as provided under section 32 of the Income Tax Act, 1961. These rates are higher than the rate prescribed under schedule XIV of companies Act, 1956 in most of cases and (c) In respect of FGILICL where depreciation on Fixed Assets is provided using the Straight Line Method on a pro-rata basis. The rate of depreciation is the higher of the management estimate based on the useful lives and the rates prescribed under Schedule XIV of the Companies Act, 1956.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

- (b) Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition and no depreciation is provided on deletions to fixed assets in the year of sale except in respect of: (a) IITL where depreciation is provided proportionately; and (b) IITL-Nimbus Hyde Park, Noida and IITL-Nimbus Express Park View, joint venture partnership firms where depreciation is provided as per Income Tax Act, 1961.
- (c) Computer software is amortised over the period of its estimated useful life ranging from 2 to 5 years.

(vii) Investments:

Other Than Insurance Business :

Long Term Investments (excluding Investment properties) are valued at cost unless there is a diminution in value, other than temporary for which provision is made. Current investments are stated at lower of cost and fair value. Cost of Investment includes acquisition charges such as brokerage, fees and duties. Current Investments are stated at lower of cost and fair value. Investment properties are carried individually at cost less accumulated depreciation. Investment properties are capitalised and depreciated in accordance with the policy stated for Fixed Assets.

Insurance Business :

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended and circulars/notifications issued by the IRDA from time to time. Investments are recorded on the trade date at cost, which includes brokerage, statutory levies, if any and excludes interest paid, if any, on Purchase.

Classification:

Investments intended to be held for a period of less than twelve months or those maturing within twelve months from the Balance Sheet Date are classified as "Current Investments". Investments other than short term are classified as "Non-Current Investments".

Valuation - Shareholders' investments and Non-Linked Policyholders' investments:

Debt securities including government securities are considered as "held to maturity" and are stated at amortised cost. The premium or discount, which is paid or availed respectively, at the time of purchase of a fixed income security, is amortised over the life of the instrument on Constant Yield basis. Fixed deposits are valued at cost till the date of maturity. Investments in mutual funds are stated at the Net Asset Value (NAV) as at the Balance Sheet date. Listed equity securities are measured at fair value on the balance sheet date. For the purpose of calculating NAV, listed equity shares are valued at last quoted closing price on the NSE and in case the equity shares are not listed or traded on NSE then they are valued on the last quoted closing price on the BSE. Unlisted equity securities are measured at historic cost. In respect of investment in equity shares and mutual funds, the corresponding unrealized investment gain or losses are reported in the Balance Sheet under "Fair Value Change Account". In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognised as an expense in the Revenue/Profit and Loss Account as the case may be.

Valuation - Linked Business:

Government Securities and other Debt Securities with remaining maturity more than 182 days are valued based on market value obtained from Fixed Income Money Market & Derivatives Association of India ('FIMMDA') and CRISIL Bond Value respectively. Government and other debt securities with remaining maturity of up to 182 days are valued at amortised cost spread uniformly over the remaining life of the securities. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing price at the National Stock Exchange of India Ltd. ('NSE') is considered. Unrealised gain or losses are recognized in the scheme's Revenue account. Fixed Deposits are valued at cost till the date of maturity. Mutual fund units are valued at previous day's Net Asset Value.

Transfer of Investments :

Transfer of debt securities from shareholders' to policyholders' is done at the lower of net amortised cost and market value on the date of transfer. In the case of equity securities, such transfers are affected at lower of cost and market value on the date of transfer. In case of unit linked fund, such transfers are effected at market value on date of transfer.

1.4 Significant Accounting Policies: (contd.)

(viii) Taxation:

"Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(ix) Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(x) Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(xi) Employee Benefits:

(a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

(b) Long term employee benefits:

(i) Defined Contribution Plan:

The eligible employees of the Group are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Group makes monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Employees Provident Fund Organisation. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Group has no further obligation beyond making the contribution. The contributions to Defined Contribution Plan are charged to the Statement of Profit and Loss as incurred.

(ii) Defined Benefit Plan:

1. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

2. Compensated absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The Employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Group makes provision for compensated absences based on an actuarial valuation carried out at the end of the year except for Joint Ventures other than FGILICL in case of which the provision for compensated absences, which is not material, is based on management valuation. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(xii) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing costs are recognised as an expense in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiii) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

(xiv) Foreign Currency Transactions:

Transactions in foreign currencies are translated to reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expense in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing date rates, and unrealized translation differences are included in the Statement of Profit and Loss.

(xv) Share issue expenses:

Share issue expenses are adjusted against Securities Premium Account in terms of Section 78 (2) of the Companies Act, 1956.

(xvi) Earnings per share :

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.4 Significant Accounting Policies: (contd.)

(xvii) Service tax input credit :

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no reasonable uncertainty in availing / utilising the credits.

(xviii) Cash and bank balances (for purposes of Cash Flow Statement) :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xix) Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xx) Other Policies with respect to Insurance Business:

(a) Benefits Paid (including Claims) :

Claims by death are accounted when intimated. Claims by maturity are accounted on the maturity date. Annuity benefits are accounted when due. Surrenders are accounted as and when notified. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable. Claims recovered or recoverable from reinsurer are accounted in the same period as that of the related claims. Withdrawals under unit linked policies are accounted in respective schemes when the associated units are cancelled.

(b) Funds for Future Appropriation For Insurance Company :

The balance in this account represents the amounts estimated by the Appointed Actuary as Funds for Future Appropriation (FFA) - Linked, required to be set aside in the Balance Sheet and are not available for distribution to shareholders until the expiry of the revival period.

(c) Loans against policies :

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalised interest (accrued and due) and are subject to impairment, if any.

(d) Policy Liabilities pertaining to Insurance Company :

Liabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the Standards and Guidance Notes established by the Institute of Actuaries of India, the requirement of the Insurance Act, 1938 and the regulations issued by the IRDA. The liabilities under non-linked individual policies are calculated by Gross Premium Reserve Method. In respect of riders and group term insurance, Unearned Premium Method is used. The liabilities are calculated in a manner that together with estimated future premium income and Investment income, the assets of FGILICL can meet estimated future claims (including bonus entitlements to the policyholders) and expenses. Linked liabilities comprise of unit liabilities representing the fund value of policies and non-unit liability for meeting insurance claims etc. This is based on an actuarial valuation carried out by the Appointed Actuary. The actuarial assumptions are given below.

Actuarial Method and Assumptions for Insurance Company :

The actuarial method and the assumptions used in the valuation as at March 31, 2014 are stated below:

- Liabilities on life policies are determined by the Appointed Actuary as per the provision of IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 and using generally accepted actuarial principles and in accordance with the Guidance Notes issued by the Institute of Actuaries of India with the concurrence of Insurance Regulatory and Development Authority (IRDA);
- In case of non-linked business, Gross Premium Reserve Method is used to calculate the liabilities with respect to expenses, mortality and other claims; negative reserves have been eliminated at policy level;
- For Linked business, unit value as on the valuation date is kept as unit reserve and discounted cash flow approach is used to get non-unit reserves subject to minimum of Unearned Premium for non-unit reserve as per IRDA guidelines;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (d) For Non-Linked Pension Business, liability has been calculated using the bonus rate on Policy Holder's Pension Fund Account. Policyholder pension fund account is calculated using the premiums accumulated with past bonuses declared.
- (e) In respect of Riders, unearned premium method has been used;
- (f) In respect of Group Term insurance Gross Premium valuation method has been used. Explicit allowance is made for incurred but not reported claims as at March 31, 2014.
- (g) For Group Credit Suraksha, Gross Premium Reserve method has been used; and
- (h) For Non Linked Group Gratuity, Group Superannuation and Group Leave Encashment plans, premium net of claims is being accumulated using the crediting rate which is calculated as yield less expenses.

Valuation assumptions are based on pricing assumptions which are derived from industry experience or based on own projection and assessment duly adjusted for Margin for Adverse Deviation as per relevant Guidance Notes issued by the Institute of Actuaries of India.

Following are basis for Gross Premium Reserve method for Individual Non-linked business.

Interest rate: 6.00% per annum for participating business and 5% for non participating business. For unit linked products, non unit reserves are calculated based on 5% discount rate.

Mortality: Based on published mortality table - Indian Lives Mortality 2006-08(modified) Ultimate with adjustment to reflect expected experience.

Morbidity: For critical illness it is based on CIPT (93) table with adjustment to reflect expected experience. For other riders its mainly flat rate independent of age.

Expense inflation: 4% per annum.

Commission: As per the provision under the relevant plan approved by IRDA.

Expenses: Appropriate assumptions are made based on the long term expenses projected in the business plan with allowance for adverse deviation.

Future Bonus rates: For participating business, future bonus rate assumptions are not changed and bonus rates assumed are consistent with the valuation rate of interest used.

2.1 Share Capital

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Authorised		
30,000,000 (previous year 30,000,000) Equity shares of ₹ 10 each	300,000,000	300,000,000
5,000,000 (previous year 5,000,000) Preference shares of ₹ 10 each	50,000,000	50,000,000
	350,000,000	350,000,000
Issued, subscribed and paid-up:		
21,827,550 (previous year 20,777,550) Equity shares of ₹ 10 each with voting rights [Included above are 9,777,550 (Previous year: 9,777,550) equity shares] represented by 4,888,755 (Previous year: 4,888,755) Global Depository shares 'GDS'	218,275,500	207,775,500
720,000 (previous year 1,770,000) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each fully paid-up	7,200,000	17,700,000
Total	225,475,500	225,475,500

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2014 No. of shares	₹	As at 31st March, 2013 No. of shares	₹
Opening Balance	20,777,550	207,775,500	10,000,000	100,000,000
Add:- Issued during the year	-	-	9,777,550	97,775,500
Add:- Conversion of CCPS to equity shares	1,050,000	10,500,000	1,000,000	10,000,000
Closing balance	21,827,550	218,275,500	20,777,550	207,775,500

During the previous year, the Company had issued 4,888,755 Global Depository Shares ('GDSs') representing 9,777,550 equity shares of the Company of nominal value ₹10 each, aggregating to US \$ 59.89 millions equivalent to ₹ 3,377,606,725 (including share premium of ₹ 3,279,831,225) The GDSs are listed on Luxembourg Stock Exchange.

10% Compulsory Convertible Preference Shares	As at 31st March, 2014 No. of shares	₹	As at 31st March, 2013 No. of shares	₹
Opening Balance	1,770,000	17,700,000	-	-
Add:- Issued during the year	-	-	2,770,000	27,700,000
Less:- Conversion of CCPS to equity shares	1,050,000	10,500,000	1,000,000	10,000,000
Closing balance	720,000	7,200,000	1,770,000	17,700,000

During the previous year, the Company has allotted 2,770,000 10% Compulsory Convertible Preference Shares of ₹ 10 each on a preferential basis to companies in the promoter group at a price of ₹ 350/- per share. The closing balance of 720,000 CCPS shall be converted to equity shares on 3rd April, 2014.

(b) Rights, preferences and restrictions attached to equity shares

Equity shares of the company are issued at a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all claims/liabilities and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

(c) Global Depository Shares (GDS):-

Holders of the GDSs will have no voting rights with respect to the underlying equity shares. The Depository will not exercise any voting rights with respect to the deposited shares. Other rights, preferences and restrictions are same as equity shares.

(d) Rights, preferences and restrictions attached to preference shares

The Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up pari passu inter se and in priority to the Equity Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. The Compulsory Convertible Preference Shares (CCPS) are convertible into Equity Shares of face value of ₹ 10 each, any time within 18 months from the date of allotment, in one or more tranches at a price of ₹ 350 including premium of ₹ 340 per share.

(e) Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

Particulars	As at 31st March, 2014 No. of Shares held	% of Holding	As at 31st March, 2013 No. of Shares held	% of Holding
N. N. Financial Services Private Limited	6,637,960	30.42	5,787,960	27.86
Nimbus India Limited	1,913,427	8.77	1,713,427	8.25
Life Insurance Corporation of India	1,225,017	5.61	1,225,017	5.90
The Bank of New York Mellon (for GDS holders)	9,777,550	44.79	9,777,550	47.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (f) Preference shares held by each shareholder holding more than 5% preference shares in the Company are as follows:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N. N. Financial Services Private Limited	450,000	62.50	1,300,000	73.45
Nimbus India Limited	270,000	37.50	470,000	26.55

- (g) Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000

- (i) Regarding issue of preference shares:

Particulars	During the year ended	
	31st March, 2014	31st March, 2013
	₹	₹
Total amount received from issue of CCPS, issued at the price of ₹ 350 including share premium of ₹ 340 each	-	969,500,000
Unutilised monies as on 1st April, 2013	277,918,029	-
Purpose for which the money received has been utilized :		
a. Loans given to entities under significant influence	250,000,000	340,000,000
b. Investment in Preference shares of a subsidiary, IITL Projects Limited	-	350,000,000
c. Loans given to an associate, World Resort Limited	20,000,000	-
d. Direct Expenses incurred towards the CCPS Issue	-	1,581,971
	270,000,000	691,581,971
Unutilised monies	7,918,029	277,918,029

Balance amount of ₹ 277,918,029 was invested in Short Term Mutual Funds and Fixed Deposits with Banks in the previous year. Unutilised money as on 31st March, 2014 is invested in Fixed Deposit.

- (ii) Regarding issue of Global Depository Shares:

Particulars	During the year ended	
	31st March, 2014	31st March, 2013
	₹	₹
Total amount received from issue of GDS	-	3,377,606,725
Unutilised monies as on 1st April, 2013	594,044,940	-
Purpose for which the money received has been utilized:		
a. Amount paid to Pantaloon Retail India Ltd. (now known as Future Retail Ltd.) for acquiring their equity stake of 22.5% in Future Generali India Life Insurance Company Ltd. (See note no. 2.13(a))	594,044,940	2,500,000,000
b. Investments in preference shares of an associate, World Resorts Limited	-	250,000,000
c. Direct Expenses incurred towards the GDS Issue	-	33,561,785
	594,044,940	2,783,561,785
Unutilised monies	-	594,044,940

Balance amount of ₹ 594,044,940 was invested in Fixed Deposits with Banks in the previous year.

2.2 RESERVES AND SURPLUS

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Capital Reserve		
Balance as per last Consolidated Balance Sheet	750	750
Capital reserve on consolidation		
Balance as per last Consolidated Balance Sheet	702,000	702,000
Capital Redemption Reserve		
Opening balance	-	-
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	15,000,000	-
Closing balance	15,000,000	-
Fair Value Change	656	-
General Reserve		
Opening balance	177,278,048	170,746,058
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	18,319,458	6,531,990
Closing balance	195,597,506	177,278,048
Special Reserve (as per the RBI regulations)		
Opening balance	275,086,961	257,959,000
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	28,038,770	17,127,961
Closing balance	303,125,731	275,086,961
Securities Premium Account		
Opening balance	4,186,487,469	-
Add : Premium on issue of GDS	-	3,279,831,225
Add : Premium on issue of CCPS	-	941,800,000
Less: Utilised for :		
Writing off GDS issue expenses	-	33,561,785 #
Writing off CCPS issue expenses	-	1,581,971
	4,186,487,469	4,186,487,469
Surplus in Consolidated Statement of Profit and Loss		
Opening balance	402,640,285	356,515,294
Add: Profit for the year	16,675,640	105,968,029
Add: Reversal of excess tax on dividend of previous year	5,256,050 *	-
Less: Dividend proposed to be distributed to equity shareholders (₹ 1.75 per share, previous year ₹ 1.50 per share)	37,135,986	29,703,311
Less: Dividend proposed to be distributed to CCPS shareholders (₹ 1.00 per share, previous year ₹ 1.00 per share)	1,326,986	1,223,726
Less: Tax on dividend	13,820,093	5,256,050
Transferred to:		
- General Reserve	18,319,458	6,531,990
- Special Reserve	28,038,770	17,127,961
- Capital Redemption Reserve	15,000,000	-
Closing balance	310,930,682	402,640,285
Total	5,011,844,794	5,042,195,513

* Reversal of excess tax on dividend on account of dividend received from a subsidiary company on which dividend tax is paid by it under section 115-O of the Income Tax Act, 1961 during the financial year 2013-2014.

Includes ₹ 1,668,920 paid to the Statutory Auditor towards professional services provided by them in connection with the issue of GDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.3 Long Term Borrowings

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Loan from Axis Bank	49,167,000	-
Loan from Others	15,000,000	-
Total	64,167,000	-

2.4 Deferred taxes

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Assets	Liabilities	Assets	Liabilities
Deferred tax liabilities:				
Depreciation	16,139	-	306,130	(1,756,614)
Deferred tax assets:				
Items covered under section 43B of the Income tax Act, 1961	2,047,928	-	1,298,790	431,764
Provision for doubtful loans	1,529,550	-	-	-
Contingent Provision against Standard Assets	582,929	-	-	-
Business Loss	272,414	-	-	-
Provisions for Bad and doubtful debts	2,122,003	-	-	-
Total	6,570,963	-	1,604,920	(1,324,850)

2.5 Other long-term liabilities

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Trade payables		
- Premium for development rights	1,150,599,148	1,293,328,610
- Retention money	21,982,993	25,583,283
- Interest Free Maintenance Security	17,773,839	3,063,803
Total	1,190,355,980	1,321,975,696

2.6 Long-term provisions

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for employee benefits - Compensated absences	8,847,562	3,030,868
Provision for employee benefits - Gratuity (See Note 2.32)	1,795,502	684,986
Total	10,643,064	3,715,854

2.7 Short-term borrowings (Unsecured)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Loan and advances from Related parties (See Note 2.31)	-	127,062,500
Others	147,677,500	-
Total	147,677,500	127,062,500

2.8 Trade payables

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Trade Payables	188,948,672	98,140,491
Premium for development rights	224,813,994	187,399,187
Retention money	5,489,558	3,612,318
Others	520,420	854,647
Total	419,772,644	290,006,643

2.9 Other current liabilities

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Unpaid dividends *	4,129,452	3,984,182
Interest accrued on borrowings	465,179	5,125,861
Advances received from customers (including the progress billings for which amounts are not received)	1,336,138,649	1,177,025,418
Security deposits	54,788	13,777,073
Rent received in advance	-	1,309,568
Statutory remittances	31,820,225	23,495,967
Interest Free Maintenance Security received from customers	548,030	-
Advance for Sale of Land	60,509,538	-
Other liabilities	28,391,596	6,915,770
Total	1,462,057,457	1,231,633,839

* Investor Protection and Education Fund shall be credited by the amount when due.

2.10 Short term provisions

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for employee benefits:		
Compensated absences	2,704,463	1,941,854
Gratuity (See Note 2.32)	521,502	466,658
	3,225,965	2,408,512
Others:		
Income Tax (net of advance tax)	53,105,474	22,138,535
Contingent Provision against Standard Assets	1,715,000	1,595,000
Dealer brokerage commission	-	220,357
Proposed dividend	38,462,972	30,927,037
Tax on proposed dividend	7,736,655	5,256,050
Total	104,246,066	62,545,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.11 Fixed assets

ASSETS	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
	As at 1st April, 2013	Acquired during the year on acquisition of interest in a Joint Venture	Additions	Disposals	As at 31st March, 2014	As at 1st April, 2013	Acquired during the year on acquisition of interest in a Joint Venture	For the year *	On disposals	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
TANGIBLE												
Buildings	9,100,000 (9,100,000)	- (-)	100,363,520 (-)	- (-)	109,463,520 (9,100,000)	5,666,083 (5,485,351)	- (-)	5,189,872 (180,732)	- (-)	10,855,955 (5,666,083)	98,607,565 (3,433,917)	3,433,917 (3,614,649)
Furniture and fixtures	3,608,171 (3,484,177)	- (-)	1,388,434 (489,202)	115,943 (365,208)	4,880,662 (3,608,171)	1,798,439 (1,589,840)	- (-)	420,353 (352,894)	50,311 (144,295)	2,168,481 (1,798,439)	2,712,181 (1,809,732)	1,809,732 (1,894,337)
Vehicles	3,882,138 (4,165,665)	676,293 (-)	563,109 (1,875,739)	- (2,159,266)	5,121,540 (3,882,138)	1,377,063 (2,180,653)	508,718 (-)	701,229 (837,958)	- (1,641,548)	2,587,010 (1,377,063)	2,534,530 (2,505,075)	2,505,075 (1,985,012)
Plant and machinery	312,041 (292,191)	- (-)	748,475 (19,850)	- (-)	1,060,516 (312,041)	67,887 (29,530)	- (-)	113,089 (38,357)	- (-)	180,976 (67,887)	879,540 (244,154)	244,154 (262,661)
Office equipment	6,890,456 (6,305,484)	114,300 (-)	289,461 (684,472)	2,162,503 (99,500)	5,131,714 (6,890,456)	3,368,920 (2,801,942)	12,958 (-)	549,967 (596,561)	1,607,299 (29,583)	2,324,546 (3,368,920)	2,807,168 (3,521,536)	3,521,536 (3,503,542)
Computers	11,519,751 (11,593,034)	503,266 (-)	395,180 (440,592)	426,667 (513,876)	11,991,530 (11,519,750)	8,500,709 (6,886,908)	63,578 (-)	1,284,564 (1,773,288)	273,368 (159,487)	9,575,483 (8,500,709)	2,416,047 (3,019,041)	3,019,041 (4,706,126)
Sub-total	35,312,557 (34,940,551)	1,293,859 (-)	103,748,179 (3,509,855)	2,705,113 (3,137,850)	137,649,482 (35,312,556)	20,779,101 (18,974,224)	585,254 (-)	8,259,074 (3,779,790)	1,930,978 (1,974,913)	27,692,451 (20,779,101)	109,957,031 (14,533,455)	14,533,455 (15,966,327)
INTANGIBLE												
Computer software	4,766,883 (4,557,371)	54,711,626 (-)	1,043,064 (209,512)	56,492 (-)	60,465,081 (4,766,883)	2,755,799 (1,843,370)	47,998,034 (-)	2,047,588 (912,429)	35,434 (-)	52,765,987 (2,755,799)	7,699,094 (2,011,084)	2,011,084 (2,714,001)
Sub-total	4,766,883 (4,557,371)	54,711,626 (-)	1,043,064 (209,512)	56,492 (-)	60,465,081 (4,766,883)	2,755,799 (1,843,370)	47,998,034 (-)	2,047,588 (912,429)	35,434 (-)	52,765,987 (2,755,799)	7,699,094 (2,011,084)	2,011,084 (2,714,001)
Total	40,079,440 (39,497,922)	56,005,485 (-)	104,791,243 (3,719,367)	2,761,605 (3,137,850)	198,114,563 (40,079,439)	23,534,900 (20,817,594)	48,583,288 (-)	10,306,662 (4,692,219)	1,966,412 (1,974,913)	80,458,438 (23,534,900)	117,656,125 (16,544,539)	16,544,539 (18,680,328)

* Includes ₹ 314,087 (Previous year ₹ 212,010) depreciation on site Assets has been charged as cost of construction and depreciation amounting to ₹ 1,101,091 (previous year ₹ Nil) shown under other expenses pertaining to Insurance Business.

Figures in brackets are the corresponding figures of the previous year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.12 Non-current investments

Particulars	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
(I) Trade Investments-(valued at cost)		
(A) Investment in Equity Instruments (fully paid-up):		
- of associate, unquoted [See Note 2.34 (ii)]	133,710,824	141,650,236
Total (A)	133,710,824	141,650,236
(B) Investment in Preference Shares (fully paid-up)		
- of associate, unquoted		
10% Cumulative Redeemable Preference shares	250,000,000	250,000,000
14% Non Convertible Cumulative Redeemable Preference shares	250,000,000	-
10% Optionally Convertible Cumulative Redeemable Preference shares	75,000,000	75,000,000
Total (B)	575,000,000	325,000,000
Total - Trade (A)+(B)	708,710,824	466,650,236
(II) Other investments		
Investment in Equity Instruments (fully paid-up):		
- of other entities, quoted	186,536,162	186,210,239
Less: Provision for diminution in the value of investments	(85,563,526)	(78,363,526)
	100,972,636	107,846,713
Investment property (valued at cost less accumulated depreciation)		
Immovable property (cost)	48,724,436	1,069,071
Less: Accumulated depreciation	(888,232)	(878,715)
	47,836,204	190,356
Of Insurance Company		
Government Securities	1,634,045,769	-
Equity Shares	4,851,930	-
Other approved securities - other than Infra & Social Sector	84,119,819	-
Discount on Other approved securities - other than Infra & Social Sector	150,423	-
Debentures	1,355,188,213	-
Infrastructure/Social Sector Bonds	16,057,870	-
	3,094,414,024	-
Particulars	As at March 31, 2014	As at March 31, 2013
Investment related to Policy Holders	1,572,457,354	-
Investment to cover linked liabilities	1,177,966,240	-
Investment related to Shareholder	343,990,430	-
Total	3,094,414,024	-
Total Other Investments	3,243,222,864	108,037,069
Total	3,951,933,688	574,687,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.13 Long-term loans and advances

(unsecured, considered good, unless otherwise stated)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Amount paid for acquiring equity shares (See Note (a) below)	-	2,500,000,000
Security deposits:		
- With a related party (See Note 2.31)	515,500	468,000
- With others	75,275,504	31,327,322
Debit balance in gratuity fund (See Note 2.32)	477,220	612,946
Advance payment of income tax (net of provisions)	63,730,994	25,331,985
Advances for supply of goods and services	1,182,476	717,211
Balances with government authorities	5,182,538	5,182,538
Loan to PolicyHolder	1,924,586	-
Fixed deposit with IRDA	2,420,287	2,420,287
Loans to others (considered doubtful)	4,500,000	4,500,000
Less: Provision for doubtful loans	(4,500,000)	(4,500,000)
Total	150,709,105	2,566,060,289

(a) Share purchase agreement:

The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (PRIL) (now known as Future Retail Limited) to purchase part of PRIL's shareholding in Future Generali India Life Insurance Company Limited (FGILICL) representing 22.5% of the equity share capital of FGILICL and had paid an advance of ₹ 250 crores. Pursuant to the approval received from Competition Commission of India (CCI), Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority (IRDA), transaction has been consummated on December 17, 2013 for a total consideration of ₹ 340 crores and FGILICL became a Joint Venture from that date.

2.14 Other Non-current assets
(unsecured, considered good)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Bank deposits with more than 12 months maturities *	1,537,006	11,681,888
Interest accrued on bank deposits*	137,139	494,587
Total	1,674,145	12,176,475
* Deposits pledged against guarantee given by bank	1,576,329	11,649,295

2.15 Current investments

(valued at lower of cost and fair value)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Investment in Mutual Funds		
Units of Mutual Funds (unquoted)	-	397,784,760
Investment in Equity Instruments (fully paid-up)		
-of other entities, quoted	-	524,138
Less: Provision for diminution in the value of investments	-	(149,378)
	-	374,760
Of Insurance company		
Corporate Securities - Mutual Funds	13	-
Government Securities	377,524,882	-
Treasury Bills	22,489,140	-
Debentures	624,701,343	-
Equity Shares	1,068,239,518	-
Other Assets (ULIP)	231,968	-
	2,093,186,864	-
	Total	398,159,520

Particulars	As at 31st March, 2014	As at 31st March, 2013
Investment related to Policy Holders	874,471,636	-
Investment to cover linked liabilities	910,898,541	-
Investment related to Shareholder	307,816,687	-
Total	2,093,186,864	-

2.16 Inventories

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Construction materials	28,748	653,503
Construction work-in-progress	2,782,738,239	2,693,536,570
Total	2,782,766,987	2,694,190,073

2.17 Trade receivables

(unsecured, considered good)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Outstanding for a period exceeding six months from the date they were due for payment		
-Unsecured, considered good	82,634,748	58,372,728
Doubtful	6,540,307	-
	89,175,055	58,372,728
Less: Provision for doubtful debts	6,540,307	-
	82,634,748	58,372,728
Other Trade receivables		
-Unsecured, considered good	298,962,415	239,507,061
Total	381,597,163	297,879,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
2.18 Cash and bank balance

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Cash on hand	12,728,553	415,209
Cheques on hand	206,150	10,882,414
Balances with banks		
- In current accounts	102,642,971	60,960,529
- In deposit accounts with original maturity upto 3 months	88,815,214	257,509,279
	204,392,888	329,767,431
Other bank balances:		
- In deposit accounts with original maturity of more than 3 months but upto 12 months*	297,171,094	782,617,752
- In deposit accounts with original maturity of more than 12 months	13,208,809	54,412,729
- In earmarked accounts - unpaid dividend accounts	4,129,451	3,984,182
	314,509,354	841,014,663
Total	518,902,242	1,170,782,094

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

* Deposits pledged against guarantees given by bank

2.19 Short-term loans and advances (unsecured, considered good)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Loans and advances to related parties (standard Assets)		
Loans to entities under significant influence (See Note 2.31)	307,500,000	224,437,500
Loan to an associate	20,000,000	-
	327,500,000	224,437,500
Other loans and advances		
Security deposits	4,198,901	4,311,624
Advances for supply of goods and services	91,824,818	79,939,356
Advance towards annual lease rent	5,382,926	5,382,926
Prepaid expenses	8,929,672	2,027,152
Advance payment of income tax (net of provisions)	11,790,677	15,224,225
MAT credit entitlement	4,613,474	8,935,640
Balances with government authorities	4,131,000	2,317,340
Advances to others	18,407,896	169,433
Loan to others (Standard Assets)	-	100,000,000
Service tax receivable	42,322,234	4,517,316
	191,601,598	222,825,012
Total	519,101,598	447,262,512

2.20 Other current assets (unsecured, considered good unless otherwise stated)

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Unbilled revenue	65,658,498	50,547,115
Premium receivable	113,677,813	-
Interest accrued on:		
- bank deposits	11,094,346	7,570,997
- loans to policyholder	77,434	-
- loans to others	-	6,821,920
- Others	713,358	-
Income from Other Securities	1,865,253	-
Interest Accrued on Investments	139,982,314	-
Other Receivable	1,627,543	169,079
Total	334,696,559	65,109,111

2.21 Revenue from operations

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Interest [See Note 2.21 (a)]	99,272,533	83,924,354
Other financial Services [See Note 2.21 (b)]	5,964,618	20,715,232
Sale of Services [See Note 2.21 (c)]	1,265,856,418	1,088,255,332
Other operating income [See Note 2.21 (d)]	16,797,791	17,449,219
Total	1,387,891,360	1,210,344,137

2.21 (a) Interest

- On deposits with banks	56,669,381	58,484,210
- On loans	42,603,152	25,440,144
Total	99,272,533	83,924,354

2.21 (b) Other financial Services

Dividend income - on long-term investments		
From other	365,976	13,515,564
Dividend income - on current investments	5,598,642	389,248
Profit on sale of long-term investments	-	1,340,413
Profit on sale of current investments	-	2,439,721
Income from stock market operations	-	3,030,286
Total	5,964,618	20,715,232

2.21 (c) Sale of services

Income from:		
- Sale of flats	1,189,987,239	929,498,354
- Real estate consultancy	-	895,000
Consultancy fees	-	5,000,000
Brokerage:		
- from insurance services	75,592,533	151,105,736
- on shares and mutual funds	275,778	251,751
- Brokerage on shares	868	1,504,491
Total	1,265,856,418	1,088,255,332

2.21 (d) Other operating income

Rent on immovable property	15,588,085	15,714,816
Others	1,209,706	1,734,403
Total	16,797,791	17,449,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.22 Other income

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Interest:		
- On deposits with banks	27,068,594	13,983,564
- On income tax refund	2,952,457	564,160
- On overdue receivables	-	3,643,231
- Interest received from customers for late payment	3,270,559	-
Dividend income on current investments	2,811,003	3,879,072
Net profit on sale of current investments	-	2,547,848
Liability no longer required written back	774,993	-
Others	3,854,192	746,009
	40,731,798	25,363,884
Less: Transferred to Inventories	(1,844,272)	(994,118)
Total	38,887,526	24,369,766

2.23 Cost of sales

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Opening balance of construction works in progress	2,693,536,569	2,431,960,872
Opening balance of materials at site	653,503	-
(A) 2,694,190,072	2,694,190,072	2,431,960,872
Add: Expenses incurred during the year		
land, development right and transferable development right	129,599,122	101,335,504
Material, structural, labour and contract cost	951,201,848	890,521,762
other project cost	29,311,006	21,325,435
employee benefit expense	7,653,927	5,199,140
Depreciation	314,087	212,010
Interest and finance charges	51,374,318	59,479,554
	1,169,454,308	1,078,073,404
Less: Interest income	(1,844,272)	(994,118)
(B) 1,167,610,036	1,167,610,036	1,077,079,286
Less:		
Closing balance of construction works in progress	(2,782,738,239)	(2,693,536,570)
Closing stock of Material at site	(28,748)	(653,503)
(C) (2,782,766,987)	(2,782,766,987)	(2,694,190,073)
(A+B+C)	1,079,033,121	814,850,085

2.24 Employee benefits expense

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Salaries and bonus	63,164,139	74,678,259
Contribution to provident and other funds (See Note 2.32)	4,450,977	5,684,308
Staff welfare expenses	2,035,137	1,398,823
	69,650,253	81,761,390
Less: Transferred to Inventories	(7,653,927)	(5,199,140)
Total	61,996,326	76,562,250

2.25 Finance cost

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Interest on loans	51,374,317	59,479,554
Interest on delayed / deferred payment of income tax	5,244,223	1,927
Others	864,113	221,535
	57,482,653	59,703,016
Less: Transferred to Inventories	(51,374,318)	(59,479,554)
Total	6,108,335	223,462

2.26 Other expenses

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Power and fuel	2,216,168	2,369,532
Rent including lease rentals (See Note 2.28)	8,936,120	10,216,254
Insurance	901,637	1,955,925
Repairs and maintenance:		
-Buildings	1,330,629	1,038,945
-Computers	292,303	-
-Plant & Machinery	44,310	-
-Office equipment	109,015	-
-Others	2,929,040	3,762,706
	4,705,297	4,801,651
Rates and taxes	1,545,083	910,523
Travelling and conveyance	7,504,456	8,681,244
Printing and stationery	844,438	1,173,430
Communication expenses	3,345,939	4,392,633
Legal and professional fees	4,368,396	5,057,236
Directors' fees	2,949,898	3,679,833
Membership fees	911,991	2,079,787
Payments to auditors (See Note 2.29)	3,746,621	3,979,026
Charity & donation	100,000	204,450
Brokerage and commission	44,800,240	62,265,588
Advertisement and marketing expenses	5,319,228	3,153,395
Training expenses	178,528	65,000
Office expenses	281,823	278,509
Service tax paid	-	1,111,934
Business promotion	908,392	1,362,856
Loss on write off / sale of fixed assets	704,202	435,441
Provision for bad debts	6,540,307	-
Write down on reclassification of investment (Net)	48,840	-
Miscellaneous expenditure	5,031,220	3,793,894
Total	105,888,824	121,968,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.27 Contingent liabilities and commitments not provided for

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debt		
- Disputed income-tax matters in appeal	13,268,716	12,030,592
- Disputed wealth-tax matter in appeal	3,250,246	3,250,246
- Disputed entry tax matter in appeal	1,757,699	-
(b) Guarantee		
- Guarantees given by Parent Company to banks on behalf of associate company *	253,400,000	253,400,000

* The Company has received counter-guarantees from other parties amounting to ₹ 190,050,000 (previous year ₹ 190,050,000 against the aforesaid guarantees given by the Company to the banks.

In respect of above items, outflow of resources would depend upon the outcome of the appeal.

(ii) Commitments :

Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances): ₹ 75,719 (Previous Year ₹ Nil).

Other Commitments :

Non-cancellable contractual commitments - See Note 2.28

2.28 The Group has taken office premises and residential premises on operating lease. There are no restrictions imposed by the lease arrangements. There are no sub leases. The lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 29,609,957 * (previous year: ₹ 10,216,254).

The future minimum lease payments under non-cancellable operating leases for each of the following periods:

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
Not later than one year	77,952,300	2,672,944
Later than one year but not later than five years	135,020,975	3,043,600
Later than five years	41,725,350	-
Total	254,698,625	5,716,544

* This amount includes Rent of ₹ 20,673,837 pertaining to FGILICL which is included in Other expense pertaining to Insurance Business in the Statement of Profit and Loss.

2.29 Payments to auditors

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
For statutory audit	1,504,783	1,346,693
For other services	2,026,333	2,234,626
Reimbursement of expenses	20,012	55,585
Service tax	432,504	433,759
Sub-total	3,983,632	4,070,663
Less: Service tax set off claimed	85,062	91,636
Total	3,898,570#	3,979,027

This amount includes payment to auditors of ₹ 151,949 pertaining to FGILICL which is included in Other expense pertaining to Insurance Business in the Statement of Profit and Loss.

2.30 Basic earnings per share have been calculated by dividing profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under:

Particulars	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
(a) Profit for the period	16,675,640	105,968,029
(b) Less: Adjustment for dividend and dividend distribution tax on CCPS	1,552,508	1,431,698
(c) Net amount available for equity shareholders	15,123,132	104,536,331
(d) Weighted average number of equity shares used in computing Basic Earnings per share (Nos.)	21,220,564	17,793,122
(e) Effect of weighted average of potential equity shares on conversion of CCPS (Nos.)	1,326,986	1,223,726
(f) Weighted average number of equity shares used in computing Diluted Earnings per share (Nos.)	22,547,550	19,016,848
(g) Basic earnings per share (Face value ₹ 10/-)	0.71	5.88
(h) Diluted earnings per share	0.71*	5.57

* Since the effect of the conversion of preference shares was anti-dilutive, it has been ignored and hence restricted to Basic.

2.31 Related party disclosures:

(i) Names of related parties and nature of relationship where there are transactions with related parties:

Joint Ventures:	Capital Infraprojects Private Limited
	IITL Nimbus The Hyde Park Noida
	IITL Nimbus The Express Park View
	IITL Nimbus The Palm Village

Future Generali India Life Insurance Company Limited
(w.e.f. 17th December, 2013)

Associate company: World Resort Limited
(w.e.f. 28th August, 2012)

Entities over which the Company can exercise significant influence: MRG Hotels Limited
(w.e.f. 28th August, 2012)

Companies in which directors can exercise significant influence: Nimbus Projects Limited
Nimbus India Limited

Key management personnel: Dr. B. Samal, Executive Chairman

(Of the Holding Company)

(ii) Balances outstanding / transactions with related parties:

(a) Key management personnel:

Sr. No.	Nature of transactions	₹
(I)	Remuneration paid to Dr. B. Samal	3,341,667
		(2,352,000)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Figures in brackets are the corresponding figures of the previous year.

2.31 Related party disclosures: (Contd.)

(b) Other related parties:

Sr. No.	Nature of transactions	Joint Ventures	Companies under significant influence	Associate Company
		₹	₹	₹
(I)	Volume of transactions:			
(i)	Loans taken			
	- Nimbus Projects Limited	-	-	-
		(-)	(-)	(-)
	- Nimbus India Limited	-	20,900,000	-
		(-)	(61,750,000)	(-)
(ii)	Refund on loan taken			
	- Nimbus Projects Limited	-	-	-
		(-)	(-)	(-)
	- Nimbus India Limited	-	147,962,500	-
		(-)	(25,000,000)	(-)
(iii)	Loans given			
	-ITL Nimbus The Express Park View	52,500,000	-	-
		(18,375,000)	(-)	(-)
	-ITL Nimbus The Palm Village	-	-	-
		(107,625,000)	(-)	(-)
	-ITL Nimbus The Hyde Park, Noida	137,500,000	-	-
		(-)	(-)	(-)
	- World Resort Limited	-	-	20,000,000
		(-)	(-)	(-)
	- MRG Hotels Limited	-	15,000,000	-
		(-)	(-)	(-)
(iv)	Refund of loans given			
	-ITL Nimbus The Express Park View	-	-	-
		(-)	(-)	(-)
	-ITL Nimbus The Palm Village	66,937,500	-	-
		(-)	(-)	(-)
	-ITL Nimbus The Hyde Park Noida	55,000,000	-	-
		(-)	(-)	(-)
(v)	Security deposit given towards premises on rent			
	- Nimbus Projects Limited	-	47,500	-
		(-)	(-)	(-)
(vi)	Contribution towards partnership firm			
	- Nimbus Projects Limited	-	25,000,000	-
		(-)	(-)	(-)
(vii)	Drawings from partnership firm			
	- Nimbus Projects Limited	-	15,000,000	-
		(-)	(-)	(-)
(viii)	Subscription of equity shares in a joint venture by			
	- Nimbus India Limited	-	-	-
		(-)	(25,000,000)	(-)
	- Nimbus Projects Limited	-	-	-
		(-)	(25,000,000)	(-)
(ix)	Interest income			
	-ITL Nimbus The Express Park View	9,188,939	-	-
		(3,763,171)	(-)	(-)
	-ITL Nimbus The Palm Village	15,747,842	-	-
		(11,818,110)	(-)	(-)
	-ITL Nimbus The Hyde Park Noida	7,786,644	-	-
		(-)	(-)	(-)
	- World Resort Limited	-	-	1,123,425
		(-)	(-)	(-)

	- MRG Hotels Limited	-	569,795	-
		(-)	(-)	(-)
(x)	Brokerage income			
	- Future Generali India Life Insurance Company Limited	17,235,597	-	-
		(-)	(-)	(-)
(xi)	Interest paid on loan			
	- Nimbus Projects Limited	-	-	-
		(-)	(-)	(-)
	- Nimbus India Limited	-	17,122,956	-
		(-)	(8,873,651)	(-)
(xii)	Investments in preference shares			
	- World Resorts Limited	-	-	-
		(-)	(-)	(282,500,000)
(xiii)	Investments in equity shares			
	- World Resorts Limited	-	-	-
		(-)	(-)	(141,650,236)
(xiv)	Rent paid			
	- Nimbus Projects Limited	-	47,500	-
		(-)	(-)	(-)
(II)	Balances at year-end			
(i)	Amount Payable at year-end			
	- Nimbus Projects Limited	-	28,587	-
		(-)	(121,375)	(-)
	- Nimbus India Limited	-	-	-
		(-)	(127,062,500)	(-)
(ii)	Amount receivable at year-end			
	- Nimbus Projects Limited (security deposit)	-	515,500	-
		(-)	(468,000)	(-)
	-ITL Nimbus The Express Park View	119,437,500	-	-
		(669,637,500)	(-)	(-)
	-ITL Nimbus The Palm Village	90,562,500	-	-
		(157,500,000)	(-)	(-)
	-ITL Nimbus The Hyde Park, Noida	82,500,000	-	-
		(-)	(-)	(-)
	- World Resort Limited	-	-	20,654,661
		(-)	(-)	(-)
	- MRG Hotels Limited	-	15,000,000	-
		(-)	(-)	(-)
	- Future Generali India Life Insurance Company Limited	4,403,305	-	-
		(-)	(-)	(-)

Figures in brackets are the corresponding figures of the previous year.

2.32 Employee Benefits

(a) Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under 'Contribution to provident fund and other funds' in note 2.24 for the year are as under (₹ 2,866,499 included in 'Commission and operating expenses pertaining to insurance business' in the Statement of Profit and Loss) :

Particulars	31st March, 2014	31st March, 2013
	₹	₹
Employer's contribution to Regional Provident Fund Commissioner	4,246,937	2,031,409
Employer's contribution to Family Pension Fund	1,173,310	1,140,540
Employer's contribution to Employees' State Insurance Corporation	920,923	1,302,420
Employer's contribution to Superannuation Scheme	157,732	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(b) Defined Benefit Plan		Gratuity (funded)		Gratuity (unfunded)		Gratuity (funded)		Gratuity (unfunded)	
		31st March, 2014		31st March, 2013		31st March, 2014		31st March, 2013	
		₹	₹	₹	₹	₹	₹	₹	₹
i	Reconciliation of opening and closing balances of Defined Benefit Obligation								
	Present value of Defined Benefit Obligation as at the beginning of the year		3,687,171	-	1,110,241	-	1,046,957	-	
	Acquired during the year on acquisition of interest in a Joint Venture		6,185,179	-	-	-	-	-	
	Conversion to funded from unfunded		-	-	1,046,957	-	(1,046,957)	-	
	Interest Cost		433,574	-	-	-	160,680	-	
	Current Service Cost		1,872,531	-	-	-	1,334,121	-	
	Benefits paid		(382,837)	-	-	-	-	-	
	Net Actuarial (Gain)/Loss		242,757	-	-	-	35,171	-	
	Present value of Defined Benefit Obligation as at the end of the year		12,038,375	-	-	-	3,687,170	-	
ii	Reconciliation of fair value of Plan Assets								
	Fair value of Plan Assets as at the beginning of the year		31,48,475	-	-	-	1,838,158	-	
	Expected return on Plan Assets		5,60,241	-	-	-	220,842	-	
	Acquired during the year on acquisition of interest in a Joint Venture		59,03,852	-	-	-	-	-	
	Net Actuarial Gain / (Loss)		6,597	-	-	-	-	-	
	Employer's Contribution		9,62,263	-	-	-	1,089,472	-	
	Benefits paid		(3,82,837)	-	-	-	-	-	
	Fair value of Plan Assets as at the end of the year		1,01,98,591	-	-	-	3,148,472	-	
	The Company expects to contribute ₹ 191,619 to its Defined Benefit Gratuity plan during the annual period beginning after the Balance Sheet date.								
	The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:								
	Bank Balance		1.67%				5.19%		
	Funds maintained with Life Insurance Corporation of India		98.33%				94.81%		
	Note: The Company is unable to obtain the details of major category of plan assets from the insurance company (Life Insurance Corporation of India) and hence the disclosure thereof is not made.								
iii	Net assets / (liabilities) recognised in the Balance Sheet								
	Present value of Defined Benefit Obligation		(12,038,375)	-	-	-	(3,687,170)	-	
	Fair value of Plan Assets		10,198,591	-	-	-	3,148,472	-	
	Net assets / (liabilities) recognised in the Balance Sheet		(1,839,784)	-	-	-	(538,698)	-	
iv	Components of Employer's Expenses								
	Current Service Cost		1,872,531	-	-	-	1,334,121	-	
	Interest Cost		433,574	-	-	-	160,680	-	
	Expected return on Plan Assets		(560,241)	-	-	-	(220,842)	-	
	Net Actuarial Loss		242,757	-	-	-	35,171	-	
	Total expense recognised in the Profit and Loss Account in Schedule "H" under: 'Contribution to provident and other funds' (₹ 1,170,049 included in Commission and operating expenses pertaining to insurance business' in the Statement of Profit and Loss).		1,988,621	-	-	-	1,309,130	-	
	Actual return on Plan Assets		560,241	-	-	-	220,842	-	
v	Actuarial Assumptions								
	Mortality Table		Indain Assured Lives Mortality (2006-08) Ultimate				LIC (1994-96) (Ultimate)		
	Discount rate		8%		N.A.		8%		N.A.
	Expected rate of return on Plan Assets		8.75-10%		N.A.		6-9%		N.A.
	Salary escalation		5-7%		N.A.		4-6%		N.A.
vi	a.	The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.							
	b.	The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.							
	c.	Expected rate of return on assets is determined based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.							
vii	Net assets / (liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustment:								
			Gratuity						
			31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010		
			₹	₹	₹	₹	₹		
1.	Present Value of Defined Benefit Obligation		12,038,375	3,687,170	2,157,198	1,122,585	653,554		
2.	Fair Value of Plan Assets		10,198,591	3,148,472	1,779,851	1,299,935	840,794		
3.	Funded Status [Surplus]		(1,839,784)	(538,698)	(377,347)	177,350	187,240		
4.	Net Asset		(1,839,784)	(538,698)	(377,347)	177,350	187,240		
5.	Experience adjustment arising on:								
	a. Plan Liabilities (Gain)/Loss		2,036,694	886,547	(43,355)	(55,540)	46,798		
	b. Plan Assets (Gain)/Loss		34,965	16,631	35,506	9,804	5,639		
viii	The above information is as certified by the actuary and relied upon by the auditors.								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.33 Segment Information :

Primary Segment - Business Segment

₹

	2013-14								
	Investment activities	Insurance Broking	Real Estate activities	Investment Brokerage Services	Consultancy Services	Insurance Activities	Others	Eliminations	Total
A. REVENUE									
1 External Revenue	120,827,335	75,592,533	1,191,194,846	276,646	-	626,758,896	-	-	2,014,650,256
2 Inter-segment revenue	81,620,983	5,003,883	-	-	-	-	-	86,624,866	-
Segment Revenue	202,448,318	80,596,416	1,191,194,846	276,646	-	626,758,896	-	86,624,866	2,014,650,256
B. RESULTS									
1 Segment result	84,008,081	10,669,302	31,589,695	(1,487,877)	-	(176,912,286)	(117,906)	-	(52,250,991)
2 Interest expense **									9,744,180
3 Exceptional item									-
4 Unallocable Income net of Unallocable Expense									144,708,922
5 Profit before tax									82,713,751
6 Provision for taxation									(58,694,394)
7 Profit after tax (before adjusting minority interest)									24,019,357
8 Net Profit attributable to minority interest									595,695
9 Profit after tax (after adjusting minority interest)									24,615,052
10 Share of loss of associate for the year									(7,939,412)
11 Profit after tax (after adjusting share of loss of associate)									16,675,640
C. OTHER INFORMATION									
1 Segment assets	1,063,372,388	111,720,483	3,379,850,751	482,935	-	334,964,441	75,153		4,890,466,151
2 Unallocated Assets									8,817,970,286
3 Total assets									13,708,436,437
4 Segment liabilities	9,438,076	54,173,706	3,129,646,501	370,167	-	5,151,413,557	27,978	-	8,345,069,985
5 Unallocated liabilities									99,305,102
6 Total liabilities									8,444,375,087
7 Cost incurred during the period to acquire the Segment assets *	441,491	101,587,610	2,257,311	-	-	7,927,030	-	-	112,213,442
8 Depreciation and amortisation expenses (to the extent allocable to segment)	1,714,060	6,380,559	1,120,469	-	-	1,101,091	-	-	10,316,179
9 Non cash Expenses other than depreciation/ amortisation	7,320,000	-	-	-	-	-	-	-	7,320,000

*Includes assets acquired during the year on acquisition of interest in FGILICL.

** *Includes amounts of FGILICL included under Commission and Operating expenses pertaining to Insurance Business.

Note:

The Group caters to the need of domestic market and hence there are no reportable geographical segments.

Type of services in each business segment:

Investment activities : Activities related to Investments Business.

Insurance Broking : Activities related to Insurance Broking.

Real Estate activities : Real Estate development and related activities.

Insurance activities : Life Insurance Business.

Consultancy Services : Consultancy Services related to Financial management

Others : Represents Media and Entertainment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

₹

	2012-2013								Total
	Investment activities	Insurance Broking	Real Estate activities	Investment Brokerage Services	Consultancy Services	Insurance Activities	Others	Eliminations	
A. REVENUE									
1 External Revenue	120,826,921	151,125,766	931,635,208	1,756,242	5,000,000	-	-	-	1,210,344,137
2 Inter-segment revenue	27,173,281	-	-	-	-	-	-	27,173,281	-
Segment Revenue	148,000,202	151,125,766	931,635,208	1,756,242	5,000,000	-	-	27,173,281	1,210,344,137
B. RESULTS									
1 Segment result	79,191,386	79,117,062	21,879,803	(1,090,715)	2,153,044	-	(91,850)	-	181,158,730
2 Interest expense									223,462
3 Exceptional item									-
4 Unallocable Income net of Unallocable Expense									24,676,182
5 Profit before tax									205,611,450
6 Provision for taxation									(60,495,089)
7 Profit after tax (before adjusting minority interest)									145,116,361
8 Net Profit attributable to minority interest									(25,617,318)
9 Profit after tax (after adjusting minority interest)									119,499,043
10 Share of loss of associate for the year									(13,531,014)
11 Profit after tax (after adjusting share of loss of associate)									105,968,029
C. OTHER INFORMATION									
1 Segment assets	4,451,568,672	53,691,636	3,178,618,684	36,597,996	5,056,200	-	181,934		7,725,715,122
2 Unallocated Assets									607,557,516
3 Total assets									8,333,272,638
4 Segment liabilities	60,826,617	12,317,609	2,940,911,437	728,973	-	-	16,854	-	3,014,801,490
5 Unallocated liabilities									23,463,383
6 Total liabilities									3,038,264,873
7 Cost incurred during the period to acquire the Segment assets	1,198,936	1,767,301	744,625	4,253	4,253	-	-	-	3,719,367
8 Depreciation and amortisation expenses (to the extent allocable to segment)	1,295,882	1,727,498	1,130,860	273,999	273,999	-	-	-	4,702,238
9 Non cash Expenses other than depreciation/ amortisation	9,551,000	-	-	-	-	-	-	-	9,551,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 2.34 (i) Group's share of interest in the assets, liabilities, income and expenses with respect to jointly controlled entities (each without elimination of the effects of transactions between the Group and the jointly controlled entities) on the basis of audited financial statements of the jointly controlled entities as at and for the year/period (from the date of acquisition) ended 31st March, 2014:

(₹)

Particulars	31st March, 2014	31st March, 2013
RESERVES AND SURPLUS	(58,902,080)	(12,972,078)
NON-CURRENT LIABILITIES		
Long-term borrowings	15,000,000	-
Deferred tax liabilities (net)	12,327	18,706
Other long term liabilities	1,146,458,228	1,271,564,663
Policy Liabilities (Policyholder's Fund)	4,918,844,735	-
Long-term provisions	7,823,368	304,371
CURRENT LIABILITIES		
Short term borrowings	405,177,500	330,125,000
Trade payable	381,947,172	260,006,948
Other current liabilities		
-Policy Liabilities (Policyholder's Fund)	126,610,641	-
-Other	1,390,207,933	1,127,194,604
Short term provisions	26,952,782	17,810,171
NON-CURRENT ASSETS		
Fixed Assets (Net Block)		
(i) Tangible assets	4,565,569	2,529,402
(ii) Intangible assets	6,218,478	299,729
(iii) Capital work in progress	202,497	-
Non-current investments	3,094,414,024	-
Long term loan and advances	56,960,288	6,554,861
Deferred tax assets (net)	247,292	102,762
Other non-current assets	511,823	939,907
CURRENT ASSETS		
Current investments	2,093,186,864	82,008,031
Inventories	2,731,500,856	2,582,090,498
Trade receivables	317,170,695	216,767,811
Cash and bank balance	310,380,547	72,902,630
Short-term loans and advances	171,867,501	105,234,958
Other current assets	262,476,453	2,259,635
INCOME		
Sale of flats	1,002,378,860	786,253,856
Premium from Insurance Business	548,129,899	-
Other operating income from Insurance Business	78,628,997	-
Other Income from insurance Business	105,942,465	-
Other operating income	1,207,606	1,705,885
Interest	19,336,017	6,015,080
Dividend income on current investments	1,659,750	3,339,998
Net profit on sale of current investments	-	2,547,848
Other Income	2,933,568	219,461
EXPENSES		
Cost of sales	906,117,163	684,862,344
Employee benefits expense	7,525,380	7,114,542
Finance costs	7,707,251	1,927
Benefits paid pertaining to Insurance Business (Net)	205,668,608	-
Commission and Operating expenses pertaining to Insurance Business	516,393,585	-
Other expenses pertaining to Insurance Business	90,248,716	-
Depreciation	671,445	786,860
Other expenses	51,700,691	69,333,093
Provision for taxation	24,360,172	10,266,197

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	31st March, 2014	31st March, 2013
Other Information		
Contingent liabilities and commitments not provided for		
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debt		
- Disputed income-tax matters in appeal	2,867,809	3,264,935
- Disputed Value Added Tax matter in appeal	7,527,738	-
(b) Guarantee		
- Guarantees issued by Bank	1,425,000	500,000
(c) Insurance claims disputed by FGILICL, to the extent not provided/reserved	1,281,600	-
(ii) Capital Commitment :		
(a) Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances).	212,175	Nil
(iii) Other Commitments :		
(a) In case of Joint venture entities viz. Capital Infraprojects Private Limited, IITL-Nimbus The Express Park View and IITL-Nimbus The Palm Village, State Level Environment Impact Assessment Authority, Uttar Pradesh, Lucknow vide their letter have stipulated to make budgetary provision amounting to 2% of total project cost towards Environment Corporate Responsibility (ECR).		
(b) Non-cancellable contractual commitments - included in Note 2.28	247,419,225	-

(ii) Investment in associate:

The break-up of Investment in World Resort Limited (associate w.e.f. 28th August, 2012) as at 31st March, 2014 is as under:

Particulars	31st March, 2014	31st March, 2013
(i) Number of equity shares (Nos.)	13,018,125	13,018,125
(ii) Percentage holding (%)	25	25
(iii) Cost of Investment (Equity shares)	155,181,250	155,181,250
Goodwill/(Capital Reserve) Included in cost of Investment above	45,086,997	45,086,997
(iv) Share in accumulated loss net of dividend received as at the beginning of the year	(13,531,014)	-
Share of Loss for the year	(7,939,412)	(13,531,014)
Less : Dividend received during the year	-	-
(v) Share of accumulated loss net of dividend received	(21,470,427)	(13,531,014)
(vi) Carrying cost	133,710,824	141,650,236

2.35 The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (now known as Future Retail Limited) to acquire 22.5% of its equity stake in Future Generali India Life Insurance Company Ltd (FGILICL). Pursuant to approval received from CCI, RBI & IRDA the transaction was consummated on December 17, 2013 for a total consideration of ₹ 340 crores. FGILICL has now become a joint venture of the Group.

The management views the investment in positive light as insurance industry plays a crucial role in the growth and development of the overall economy. There is a huge potential to be tapped across India for not only life but also micro insurance. Life Insurance Industry has a long gestation period and the company views this as a long term investment. Having regard to this and the projections made by FGILICL, the management of the Company is of the view that, although the networth of FGILICL as at March 31, 2014 has substantially eroded. There is no impairment as at March 31, 2014, in the value of Goodwill on consolidation arising on such acquisition.

2.36 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.37 Statement pursuant to general exemption received under Section 212 of the Companies Act, 1956 relating to subsidiary companies

(₹)

		2013-2014				2012-2013			
		IITL Projects Limited	IIT Investtrust Limited	IIT Insurance Broking and Risk Management Private Limited	IIT Media and Entertainment Private Limited	IITL Projects Limited	IIT Investtrust Limited	IIT Insurance Broking and Risk Management Private Limited	IIT Media and Entertainment Private Limited
1.	Capital	120,079,000	125,000,000	25,000,000	1,500,000	120,079,000	125,000,000	25,000,000	1,500,000
2.	Reserves	88,706,346	48,524,980	57,276,539	(1,452,826)	255,786,607	50,258,627	45,795,043	(1,334,920)
3.	Total Assets	668,547,750	174,295,314	172,297,413	75,153	681,178,217	177,855,873	133,015,087	181,934
4.	Total Liabilities	459,762,404	770,334	90,020,874	27,978	305,312,609	2,597,247	62,220,044	16,854
5.	Details of Investments								
	- Equity shares in Joint Venture	55,000,000	-	-	-	55,000,000	-	-	-
	- Preference shares in Joint Venture	250,000,000	-	-	-	-	-	-	-
	- Share in partnership Firm	71,446,639	-	-	-	22,637,840	-	-	-
6.	Turnover	208,906,564	4,734,320	85,261,983	-	170,589,781	14,611,764	154,621,145	-
7.	Profit before tax	(31,721,593)	(1,817,721)	17,104,357	(117,906)	(20,925,277)	5,121,909	82,612,441	(91,844)
8.	Provision for taxation	241,331	84,073	(5,622,861)	-	102,951	(1,806,587)	(27,063,255)	-
9.	Profit after tax	(31,480,262)	(1,733,648)	11,481,496	(117,906)	(20,822,326)	3,315,322	55,549,186	(91,844)
10.	Proposed dividend	-	-	-	-	-	-	43,583,438	-
11.	Interim dividend paid (including tax thereon)	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

DR. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 20th May, 2014



IITL GROUP

ATTENDANCE SLIP

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

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

E-mail address: iitl@iitlgroup.com. Website: www.iitlgroup.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting.

DP ID*	
Client ID*	

Folio No.	
No. of shares	

Name of the shareholder :

Address of the Shareholder :

We/I hereby record our/my presence at the **81st Annual General Meeting** of the Company held on Saturday, August 30, 2014 at 2.30 p.m. at M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

*Applicable for investors holding shares in electronic form.

Signature of Member's / Proxy's

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

INDUSTRIAL INVESTMENT TRUST LIMITED

Proxy Form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65990MH1933PLC001998

Name of the company : INDUSTRIAL INVESTMENT TRUST LIMITED

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

E-mail address: iitl@iitlgroup.com. Website: www.iitlgroup.com

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id /DP Id :

I/We, being the member (s) of shares of Industrial Investment Trust Ltd. hereby appoint:

1. Name :	Address:.....	
E-mail Id:.....	Signature:.....	or failing him
2. Name :	Address:.....	
E-mail Id:.....	Signature:.....	or failing him
3. Name :	Address:.....	
E-mail Id:.....	Signature:.....	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 81st Annual General Meeting of the Company, to be held on the Saturday, August 30, 2014 at 2.30 p.m. at M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business

- Adoption of Financial Statements for the year ended 31st March, 2014 and reports of the Directors and Auditors thereon
- To declare dividend on Preference Shares
- To declare dividend on Equity Shares
- Re-appointment of Mr. Bipin Agarwal as Director, who retires by rotation
- Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors and fixing their remuneration

Special Business

- Special Resolution pertaining to Borrowing Powers u/s 180(1)(c) of the Companies Act, 2013
- Appointment of Mr. R.S. Loona as an Independent Director
- Appointment of Mr. Subhash C. Bhargava as an Independent Director
- Appointment of Mr. Venkatesan Narayanan as an Independent Director
- Special Resolution pertaining to Related Party Transactions under Section 188 of the Companies Act, 2013

Signed this..... day of..... 2014.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.



Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A proxy need not be a member of the Company.**
3. 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.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



IITL GROUP

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

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

E-mail address: iitl@iitlgroup.com. Website: www.iitlgroup.com

(Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(C) of the Companies (Management and Administration) Rules, 2014)

BALLOT FORM

(To be returned to Scrutinizer appointed by Industrial Investment Trust Limited)

1. Name(s) of Member(s)
(including joint-holders, if any)
2. Registered Folio No/
DPID No/ Client ID No.*
(*Applicable to Members holding
shares in dematerialized form)
3. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice of the Company dated 25th July, 2014 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Sr No.	Description	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Adoption of Financial Statements for the year ended 31st March, 2014 and reports of the Directors and Auditors thereon		
2.	To declare dividend on Preference Shares		
3.	To declare dividend on Equity Shares		
4.	Re-appointment of Mr Bipin Agarwal as Director, who retires by rotation		
5.	Appointment of M/s. Deloitte Haskins & Sells, Chartered Accounts as Auditors and fixing their remuneration		
6.	Special Resolution pertaining to Borrowing Powers u/s. 180(1)(c) of the Companies Act, 2013		
7.	Appointment of Mr R.S. Loona as an Independent Director		
8.	Appointment of Mr Subhash C. Bhargava as an Independent Director		
9.	Appointment of Mr Venkatesan Narayan as an Independent Director		
10.	Special Resolution pertaining to Related Party Transactions under Section 188 of the Companies Act, 2013.		

Place:

Date:

Signature of Member/ Beneficial Owner

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, M/s Chandanbala Jain & Associates, Practising Company Secretary at Office No. 3, 1st Floor, 20/24 Morarji Velji Bldg, Kolbhat Lane, Chira Bazar, Mumbai- 400002, **as to reach by 6.00 p.m. on August 26, 2014**, Ballot Form received thereafter will strictly be treated as if not received.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
3. In case the member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
4. The right of voting by Ballot Form shall not be exercised by a proxy.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Link Intime India Private Limited. Members are requested to keep the same updated.
6. There will be only one Ballot Form for every Folio / DP ID & Client ID irrespective of the number of joint members.
7. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
8. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/ Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
9. Instructions for e-Voting procedure are available in the Notice of the Annual General Meeting.

Please follow the steps for e-Voting procedure as given in the Notice of AGM or as available on www.evotingindia.com



If undelivered, please return to :

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

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