







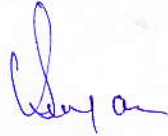

FORM A

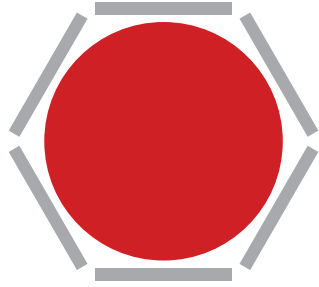
Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|----|---|---|
| 1. | Name of the Company | Industrial Investment Trust Limited |
| 2. | Annual Standalone financial statements for the year ended | 31st March, 2013 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Not applicable |
| 5. | To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Audit Committee Chairman • Auditor of the company |    <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>  <p>(Z. F. Billimoria) (Partner) (Membership No. 42791) MUMBAI, 14th May, 2013</p> |

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 on Consolidated Financial Statement |
| 2. | Annual Consolidated financial statements for the year ended | 31st March, 2013 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Not applicable |
| 5. | To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Audit Committee Chairman • Auditor of the company |    <p>In terms of our report attached. on the Consolidated financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Registration No. 117365W)</p>  <p>(Z. F. Billimoria) (Partner) (Membership No. 42791)</p> <p>MUMBAI, 14th May, 2013</p> |



IITL GROUP

Industrial Investment Trust Limited

80th
Annual Report
2012 - 2013

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INDUSTRIAL INVESTMENT TRUST LIMITED

| | | | |
|--|---|--|---------------------------|
| BOARD OF DIRECTORS | : | Dr. B. Samal | - Chairman |
| | | Mr. Bipin Agarwal | |
| | | Mr. R. S. Loona | |
| | | Mr. Venkatesan Narayanan | |
| | | Mr. Subhash Bhargava | |
| | | Mr. P. K. Rath | - Nominee of LIC India |
| | | Ms. Cumi Banerjee | - CEO & Company Secretary |
| | | Mr. Shishir Karnik | - Group CFO |
| 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 25963838 | |
| REGISTERED OFFICE | : | 14E, Rajabhadur Mansion, 2nd Floor, | |
| | | 28, Bombay Samachar Marg, | |
| | | Fort, Mumbai 400 001 | |
| | | Tel: 022 43250100 | |

**NOTICE**

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

ORDINARY BUSINESS

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

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

SPECIAL BUSINESS

6. **Appointment of Mr. Subhash C. Bhargava as a Director**
To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**
“RESOLVED THAT Mr. Subhash C. Bhargava, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. **Re-appointment of Dr. B. Samal as Executive Chairman and Payment of Remuneration**
To consider, and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by Central Government from time to time, and subject to such other

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

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

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

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

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

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

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

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : August 01, 2013

Registered Office :

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

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 31, 2013 to Saturday, September 07, 2013 (both days inclusive).
3. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 06, 2013 to those shareholders or their mandates whose names stand on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before August 30, 2013 and in respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose as on the close of business hours on August 30, 2013.
4. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) subject to availability of bank account details and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

Members holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits MICR code number.
5. Members are requested to send all correspondences relating to shares including requests for transfer, change of address, change of status, change of mandate, Bank Account details to our Registrar and Share Transfer Agents: M/s. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel. No.: 2596 3838. In respect of shares held in dematerialised mode, the shareholders should inform their concerned Depository Participant only.
6. In all the correspondences with the Company / Registrar and Share Transfer Agents, the members holding in physical form are requested to quote their account / folio numbers and in case their shares are held in dematerialised form, they must quote their Client ID Number and DP ID Number.
7. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
8. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
9. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to the Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 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 2005-2006 or thereafter are requested to write to the Company / Registrars and Share Transfer agents. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
11. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents (RTA) of the Company.
12. Pursuant to the Circular No.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs on '**Green Initiative in Corporate Governance**', Shareholders are requested to duly communicate their e-mail Id's to their respective DPs or RTA of the Company (A perforated form being attached in the Annual Report for the same).
13. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

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

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

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

Item No.6

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

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

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

Item No.7

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

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

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

I. GENERAL INFORMATION

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

Amt. In Rs.

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

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

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

II. INFORMATION ABOUT THE APPOINTEE :

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

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

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

- (2) **Past remuneration :**

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

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

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

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

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

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

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

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

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

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : August 01, 2013

Registered Office :

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



DIRECTORS' REPORT

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

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

OPERATING RESULTS

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

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

DIVIDEND

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

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

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

CHANGE IN CAPITAL STRUCTURE

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

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

USE OF PROCEEDS FROM GDR AND CCPS ISSUE

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



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

INVESTMENTS

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

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

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

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

CAPITAL ADEQUACY RATIO

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

SUBSIDIARY COMPANIES

IIT Investtrust Limited (IITIL)

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

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

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

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

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

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

Projects Owned by IITLPL:

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

Projects Owned by IITLPL alongwith SPV's:

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

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

has been undertaken through equal equity participation by IITLPL and Nimbus Projects Limited in a Private Limited Company viz., Capital Infraprojects Private Limited.

Express Park View II :- In consortium with Nimbus Projects Limited and Assotech Limited a Special Purpose Partnership Firm was incorporated as 'IITL NIMBUS THE EXPRESS PARK VIEW'. The SPV has undertaken construction of 1668 apartments, on a land of around 52493.16 Sq.m. allotted on 90 years lease by GNIDA under Builder Residential Scheme 05/2010-2011. The Project is under implementation and is scheduled to be completed in two phases, the first phase by 2015-16 and the second by 2017-18.

The Golden Palm Village :- In consortium with Nimbus Projects Limited and Assotech Limited a Special Purpose Firm was incorporated as 'IITL NIMBUS THE PALM VILLAGE'. The SPV has undertaken construction of 3840 apartments, on a land of around 102995.70 Sq.m. Architectural drawing of the projects has been approved by Yamuna Expressway Authority and boundary wall work has been commenced at site. It is scheduled to be constructed in seven phases over a period of 10 years.

IIT Insurance Broking and Risk Management Private Limited (IIBRMPL)

During the year, IIBRMPL has widened its network and its total number of operational offices at the year end stands at 17 and it has 198 employees on its pay roll. It has organized 1050 insurance awareness camps in various parts of the country in order to promote Life and Non-Life Insurance business. The Company is a ISO 9001:2008 Certified Company.

IIT Media and Entertainment Private Limited (IMEPL)

IMEPL is a wholly owned subsidiary incorporated in 2010 to undertake the business of media and entertainment. In the year 2010-2011 the Company filed Petition in High Court of Judicature at Mumbai for reduction in Share Capital. The Company has yet not commenced any business and is scouting for making investment in some avenues in media and entertainment.

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".

During the year, the Company has made an investment of ₹ 25,00,00,000/- in 50,00,000, 10% Cumulative Redeemable Preference Shares of face value of ₹10/- each issued at a price of ₹ 50/- per share i.e. including premium of ₹ 40/- per share of WRL.

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 2012-2013 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)

Since no dividend was declared for the financial year 2004-2005, there is no unpaid / unclaimed dividend to be transferred to the Investor Education and Protection Fund in terms of Section 205C of the Companies Act, 1956 during the year under review.

DIRECTORS

Appointment

Mr. Subhash C. Bhargava who was appointed as an Additional Director on January 28, 2013, holds office upto the date of the ensuing Annual General Meeting. The Company has received Notice along with requisite deposit from a member under Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company.

The term of Dr. B. Samal, Executive Chairman expired on January 23, 2013. The Board of Directors, at its meeting held on November 03, 2012, and a resolution passed in the meeting of the Remuneration Committee held on an even date have re-appointed Dr. B. Samal as Executive Chairman of the Company for a period of 3 years w.e.f. January 24, 2013 to January 23, 2016 subject to the approval of Shareholders. The Board, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders and other authorities, as may be applicable, at its meeting held on August 01, 2013 has accorded its approval for increase in the remuneration payable to Dr. B. Samal as Executive Chairman of the Company w.e.f. August 01, 2013 for the balance period of his existing term.



In accordance with the provisions of the Companies Act, 1956, Dr. B. Samal and Mr. P.K. Rath, Directors retire by rotation and, being eligible, offer themselves for re-appointment.

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.

Resignation

Mr. T.M. Nagarajan and Mr. R.K. Mittal resigned as Directors from the Board with effect from November 15, 2012 and November 27, 2012 respectively. The Board places on record, its appreciation for the valuable contributions made by them during their tenure as Director of the Company.

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, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and have expressed their willingness for appointment and confirmed that their appointment, if made, will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

You are requested to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of the 80th Annual General Meeting until the conclusion of the 81st Annual General Meeting of the Company.

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:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) 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, 2013;

- (c) 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
- (d) 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. Expenditure in foreign currency equivalent to ₹ 91,066/- was incurred towards business promotion expenses.

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

Mumbai
Date: August 01, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO:

The Financial Year 2012-13 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. The Global economy continues to be saddled with challenges. Global growth decelerated in F.Y. 2012 and the sluggish trend continued in 2012-13. The year witnessed sovereign debt crisis, unemployment and economy slowing down. The economic problems faced by the developed countries impacted the developing economies leading to rise in inflation and lower growth.

Major global economies witnessed slower growth and Eurozone was full of uncertainty. Several European economies experienced recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth. While downside risk reduced to some extent in early 2013 because of supportive policy action in the euro area and the measures to tackle the fiscal cliff in USA, risks to global recovery have increased consequent to Chinese economy slowing down. The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay subdued at 3.3 per cent in 2013.

THE INDIAN ECONOMY:

During the Financial Year 2012-13, both domestic and global factors affected growth of Indian economy. Moderation in GDP growth, high inflation and fiscal deficit as well as widening Current Account Deficit (CAD) were the major concerns of the economy. The GDP growth for the Financial Year 2012-13 stood at 5 per cent as compared to revised growth of 6.2 per cent in the Financial Year 2011-12. The slow down is attributed to deceleration of growth in all three major sectors i.e. agriculture, manufacturing and service sector. For the Financial Year 2012-13 growth in the Index of Industrial Production (IIP) decelerated to 1 per cent from revised growth of 2.9 per cent in the F.Y. 2011-12. The inflation which has been a major concern for the last couple of years has shown some respite. Headline WPI inflation eased for three months in succession with the May 2013 reading at 4.7 per cent from an average of 7.4 per cent in 2012-13. The combination of growth slow down, rising inflation above the comfort level and historically high current account deficit posed special challenges to RBI. The Rupee also witnessed high volatility and stood depreciated against the US Dollar.

INDIAN CAPITAL MARKETS

The Capital Market indices and market turnover improved gradually during the year. The BSE Sensex was at its lowest on June 04, 2012. With the announcement of reforms during October 2012 including postponement of GAAR, liberalized FDI limits for certain sectors, rise in FII limits, boosted the confidence of global investors. Fortunately the Sensex breached the 20,000 mark after a period of two years and was at its highest at 20203.66 on January 29, 2013. Subsequently with the announcement of 'Fiscal Cliff' by USA in December 2012, the global markets remained edgy but direct impact on Indian Capital Markets was limited.

However certain sectors were affected. Despite that the market capitalization and daily turnover have shown increasing trend in 2012 reflecting positive sentiment. During the year, 2012-13 FIIs made net investments of ₹1.7 trillion in the capital markets (both equity and debt) compared with that of ₹0.9 trillion in the previous year.

After witnessing a rally upto January 2013, the Indian Equity markets weakened on account of domestic political uncertainties, slow down in GDP growth. The year closed on March 28, 2013 with Sensex at 18835.77 compared to 17404 as on March 30, 2012. Currently the market is showing revival tendency and hope this will continue.

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 and Inter-Corporate Deposits. The Company also undertakes stock based arbitrage trading. The Board of Directors is apprised of the investments of the Company and it monitors the deployment of resources on regular basis. However, the investment portfolio of the Company during the year has been impacted due to uncertain economic global and domestic environment and policy changes. There are certain sectors which are badly affected due to rising costs and sticky inflation and there is infrequent movement of such stocks in the capital market. The Company, is therefore, restructuring and re-aligning its portfolio after considering these factors and after making proper assessment of the fundamentals and the future prospects of the investee companies.

The Company is also aggressively following the performance of its subsidiaries. Its subsidiary, IITL Projects Limited has in its fold five projects for construction of residential flats under the Greater Noida Industrial Development Authority (GNIDA), New Okhla Industrial Development Authority (NOIDA) and Yamuna Expressway Authority (YEA) schemes of its own as well as through joint ventures viz., IITL Nimbus The Hyde Park, IITL Nimbus, The Express Park View, IITL Nimbus, The Palm Village and Capital Infraprojects Private Limited. Its subsidiary, IIT Insurance Broking and Risk Management Pvt. Ltd. is expanding its business and is currently operating from 16 branches across the country to undertake business of Life and Non-Life Insurance. Another subsidiary, IIT Investtrust Limited is into stock broking business, arbitrage and consultancy services. However, its income from Corporate Advisory & Consultancy has declined in view of recessionary economic conditions. The Company's subsidiary, IIT Media and Entertainment Private Limited which presently is not into any business activity, is looking for an opportunity to engage itself in an appropriate activity.

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. The Company has also extended Corporate Guarantee in favour of Canara Bank for their term loans and has obtained Counter Guarantee from the other



participating shareholders. WRL has also a 100% subsidiary viz., MRG Hotels Private Limited which also owns and operates hotel under the Brand "Golden Palms" at Mussoorie.

During the year, the Company has made an investment of ₹25,00,00,000/- in 50,00,000, 10% Cumulative Redeemable Preference Shares of face value of ₹10/- each issued at a price of ₹50/- per share i.e. including premium of ₹40/- per share of WRL.

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 volatility, economic cycle, market risk and credit risk. Besides, that the equity markets have been extremely volatile due to numerous factors like economic trends, government policies, capital flows, inflation etc. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices. Risk is managed through a framework of policy and procedures approved by the Board of Directors from time to time.

FINANCIAL PERFORMANCE:

The Company has earned a profit after tax of ₹856.40 lakhs during the year compared to profit of ₹386.70 lakhs in the previous year. The Revenue from operations during the year is ₹1,444.97 lakhs compared to ₹456.18 lakhs in the previous year. The major portion of the Revenue is from interest income earned during the year. Provision of ₹86 lakhs has been made towards diminution in value of quoted long-term investments of the company as compared to ₹75.79 lakhs in the previous year.

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, 2013, the total number of employees including subsidiaries was 230.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has maintained an adequate system of Internal Controls. The assets are safeguarded and protected against loss from unauthorised use and disposition. The transactions are authorized, recorded and reported diligently. 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.

OUTLOOK FOR GLOBAL AND INDIAN ECONOMY:

The global economy continued to grow at a slow pace in 2012-2013. International Monetary Fund (IMF) forecasts world output growth to be 3.25 per cent and 4 per cent for the years 2013 and 2014 respectively. Diffusion of two major threats to the global economy i.e. break-up of Euro zone and contraction in fiscal cliff through policy initiative brought hopes for recovery in global economy. IMF's global financial report of April 2013 has stated that global financial market conditions has improved in past six months due to monetary stimulus and liquidity support. Presently the US has reported strong come back and the initiatives taken by Government of India and the policy reforms hopefully will help the economy grow at a better rate.

The growth outlook for India is expected to be better than previous year. RBI has projected growth of GDP at 5.7 per cent in monetary policy statement of 2013-2014. Due to good monsoon, the agricultural growth is expected to be better. With progressive reforms, the performance of industries is expected to revive.

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

Place: Mumbai
Date: August 01, 2013

**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 | 10 | 4 | 5 |
| 2 | Mr. Bipin Agarwal | NI / NE Promoter | 8 | 1 | 1 |
| 3 | Mr. R.S. Loona | I / NE | 4 | 3 | 1 |
| 4 | Mr. Venkatesan Narayanan | I / NE | 1 | 2 | Nil |
| 5 | Mr. Subhash C. Bhargava (appointed w.e.f. 28.01.2013) | I / NE | 9 | 4 | Nil |
| 6 | Mr. P.K. Rath | I / NE Representative of LIC of India | Nil | Nil | Nil |
| 7 | Mr. T.M. Nagarajan (resigned w.e.f. 15.11.2012) | NI / NE | 3 | 1 | 2 |
| 8 | Mr. Raj Kumar Mittal (resigned w.e.f. 27.11.2012) | I / NE | 4 | 3 | 3 |

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 2012-2013, 11 Board Meetings were held i.e., on April 18, 2012, May 24, 2012, July 02, 2012, August 09, 2012, September 20, 2012, October 08, 2012, October 16, 2012, October 25, 2012, November 03, 2012, January 28, 2013 and March 23, 2013

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 | 11 | Yes |
| Mr. Bipin Agarwal | 10 | Yes |
| Mr. T.M. Nagarajan # | 6 | Yes |
| Mr. Raj Kumar Mittal* | 8 | Yes |
| Mr. R.S. Loona | 10 | Yes |
| Mr. Venkatesan Narayanan | 11 | Yes |
| Mr. P.K. Rath | 7 | No |
| Mr. Subhash C. Bhargava** | 2 | No |

Resigned on November 15, 2012

* Resigned on November 27, 2012

** Appointed on January 28, 2013

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 24, 2012, August 09, 2012, November 03, 2012 and January 28, 2013.

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 | 1 |
| Mr. Raj Kumar Mittal** | Chairman | 3 |
| Mr. T.M. Nagarajan # | Member | 2 |
| Mr. R.S. Loona | Member | 4 |
| Mr. P.K. Rath | Member | 3 |

* Appointed as a member of Audit Committee on January 28, 2013

** Ceased to be member of Audit Committee on November 27, 2012

Ceased to be member of Audit Committee on November 15, 2012

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 November 3, 2012.

The composition and attendance of members of the Remuneration Committee Meeting is as follows:

| Remuneration Committee Members | Status | No. of Remuneration Committee Meetings Attended |
|--------------------------------|----------|---|
| Mr. P.K. Rath | Chairman | 1 |
| Mr. Raj Kumar Mittal* | Member | 1 |
| Mr. R.S. Loona | Member | 1 |
| Mr. Subhash C. Bhargava # | Member | Nil |

* Ceased to be member of Remuneration Committee on November 27, 2012.

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

On the recommendation of the Remuneration Committee, the Board in its meeting held on November 3, 2012 accorded its consent for the re-appointment of Dr. B. Samal as Executive Chairman for a further period

of three years i.e. from January 24, 2013 to January 23, 2016, subject to approval of the members in the ensuing General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on August 01, 2013, has proposed to increase the remuneration payable to Dr. B. Samal, Executive Chairman, with effect from August 01, 2013 to January 23, 2016, being the remaining period of his term. The proposed increase in remuneration is also within the limits prescribed under Schedule XIII of the Companies Act, 1956.

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 2012-2013 are given below:

| Name | Salary | Perquisites | Contribution to P.F and other funds | Total |
|--------------|-----------|-------------|-------------------------------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| Dr. B. Samal | 21,00,000 | -- | 2,52,000 | 23,52,000/- |

Details of remuneration paid to Non-Executive Directors for the year 2012-2013 are given below:

Sitting Fees

| Name | Board Meetings | Committee Meetings | Total |
|--------------------------|-----------------|--------------------|------------------|
| | ₹ | ₹ | ₹ |
| Mr. Bipin Agarwal | 1,60,000 | 52,500 | 2,12,500 |
| Mr. T.M. Nagarajan | 90,000 | 22,500 | 1,12,500 |
| Mr. Raj Kumar Mittal | 1,20,000 | 2,85,000 | 4,05,000 |
| Mr. R.S. Loona | 1,60,000 | 3,37,500 | 4,97,500 |
| Mr. Venkatesan Narayanan | 1,75,000 | Nil | 1,75,000 |
| Mr. P.K. Rath | 1,15,000 | 2,25,000 | 3,40,000 |
| Mr. Subhash Bhargava | 40,000 | 20,000 | 60,000 |
| Total | 8,60,000 | 9,42,500 | 18,02,500 |

During the year, the Non-Executive Directors are paid sitting fees at the rate of Rs.15,000/- for attending each meeting of the Board and Rs.15,000/- for attending each Committee meeting thereof.

The Board in its meeting held on January 28, 2013, has accorded its approval for increase in payment of sitting fees from Rs.15,000/- to Rs. 20,000/- for attending each Meeting of the Board and Committees, by the Non-Executive Directors of the Company w.e.f. January 28, 2013.

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, 2013.

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, 2013 consisted of 3 members, namely:

| | |
|-----------------------|-------------------------------------|
| Mr. R.S. Loona | - Non Executive Director - Chairman |
| Mr. Raj Kumar Mittal* | - Non Executive Director - Chairman |
| Dr. B. Samal | - Member |
| Mr. P.K. Rath | - Member |

* Ceased to be member and Chairman of STIGC w.e.f. November 27, 2012.

This Committee:

- (1) approves and monitors transfers, transmissions, splitting and consolidation of shares and 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 / transmissions up to one thousand shares. Share transfers for more than one thousand shares are approved by the STIGC. During the year, 11 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 | 17 |
| - No. of complaints not resolved to the satisfaction of the shareholders | Nil |
| - Pending complaints as on 31.03.2013 | Nil |

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

d) Risk Management Committee (RMC)

The Board had constituted Risk Management Committee on June 2, 2006. It was last reconstituted on October 20, 2011.

The Committee as on March 31, 2013 consisted of 3 members, namely:

| | |
|-----------------------|------------|
| Dr. B. Samal | - Chairman |
| Mr. Bipin Agarwal | - Member |
| Mr. Raj Kumar Mittal* | - Member |
| Mr. P.K. Rath | - Member |

* Ceased to be member of Risk Management Committee on November 27, 2012

The objective of this Committee is to identify the risk involved and control it through means of properly defined framework. The Committee regularly reviews the procedures for risk assessment and minimisation and the Board is informed accordingly.

During the year under review, the Risk Management Committee met twice on May 24, 2012 and November 03, 2012 to review risk assessment and minimisation procedures.

e) Committee for Investment and Loans

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 said Committee was last re-constituted on September 20, 2012.

During the year under review, two meetings of Investment and Loans Committee were held on September 13, 2012 and October 8, 2012.

The Committee as on March 31, 2013 consisted of 3 members, namely:

| | |
|-----------------------|------------|
| Dr. B. Samal | - Chairman |
| Mr. Bipin Agarwal | - Member |
| Mr. Raj Kumar Mittal* | - Member |
| Mr. R.S. Loona | - Member |

* Ceased to be member of Investments and Loan Committee on November 27, 2012

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.

Mr. Venkatesan Narayanan has been appointed as Director of IIT Investrust Limited (material unlisted subsidiary) w.e.f. May 13, 2013 and he has been appointed as Director of IIT Insurance Broking and Risk Management Private Limited (material unlisted subsidiary) w.e.f. January 28, 2013. Mr. R.S. Loona has been appointed as Director of IIT Media and Entertainment Private Limited (non-material unlisted subsidiary) w.e.f. January 27, 2010.

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, CEO & Company Secretary, Ms. Cumi Banerjee and Group CFO, Mr. Shishir Karnik, 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 14, 2013.

5. GENERAL BODY MEETINGS

Location and time where last three AGMs were held:

| Sr. No. | Date | Location | Time | Special Resolution passed |
|---------|--------------------|---|-----------|---|
| 1. | 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 |
| 2. | September 10, 2011 | M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001 | 3.00 p.m. | NIL |
| 3. | September 17, 2010 | 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) Approval under Section 81(1A) of the Companies Act, 1956 |

6. 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 2.21 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.

7. 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.
- All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.



d) 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.

8. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date & Time : Saturday, September 07, 2013 at 3.30 p.m.
Venue : M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

b) Financial Calendar : 2013-2014

Adoption of Quarterly Results for

| Quarter ending | In the month of |
|--|----------------------------------|
| ----- | ----- |
| | (Tentative) |
| June 2013 | : On or before August 14, 2013 |
| September 2013 | : On or before November 14, 2013 |
| December 2013 | : On or before February 14, 2014 |
| March 2014 (Audited annual results) | : On or before May 30, 2014 |

c) Dividend Payment Date : On or before October 06, 2013

d) Book Closure period : August 31, 2013 to September 07, 2013

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, 2014.

f) Stock Code at BSE : 501295

NSE Stock Symbol : IITL

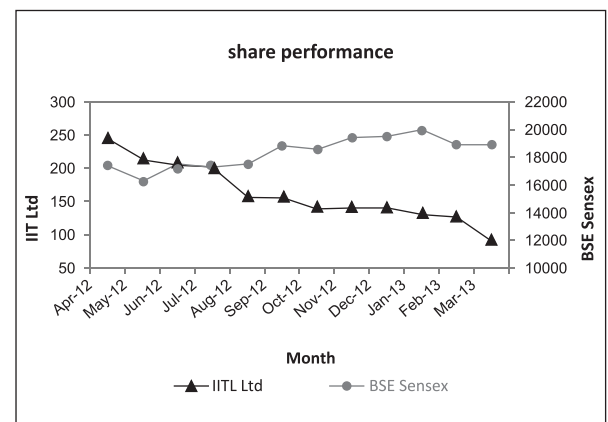
g) Stock price data at the BSE and NSE

| Month | BSE | | NSE | |
|-------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2012 | 256.00 | 229.00 | 262.00 | 233.20 |
| May, 2012 | 255.00 | 191.50 | 255.00 | 209.60 |
| June, 2012 | 249.60 | 203.25 | 246.65 | 209.60 |
| July, 2012 | 226.35 | 187.15 | 222.00 | 182.15 |

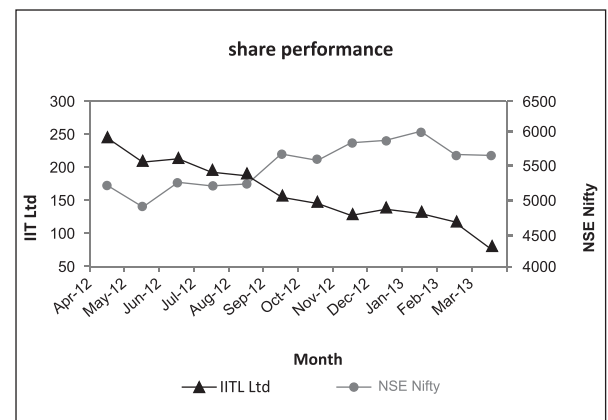
| | | | | |
|-----------------|--------|--------|--------|--------|
| August, 2012 | 207.90 | 150.55 | 204.55 | 185.45 |
| September, 2012 | 162.95 | 142.50 | 180.50 | 145.20 |
| October, 2012 | 155.45 | 140.50 | 170.85 | 138.10 |
| November, 2012 | 142.30 | 125.00 | 151.35 | 118.20 |
| December, 2012 | 154.40 | 133.10 | 150.00 | 135.00 |
| January, 2013 | 141.00 | 123.60 | 144.95 | 123.50 |
| February, 2013 | 131.60 | 118.80 | 129.95 | 114.85 |
| March, 2013 | 120.20 | 92.50 | 114.30 | 81.70 |

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 30 days from the date of receipt, provided that the relevant documents are complete in all respects.

k) Distribution of shareholding as on March 31, 2013

| Grouping of Shares | No. of Share-holders | % of total share-holders | No. of Shares per Category | % of total shares |
|--------------------|----------------------|--------------------------|----------------------------|-------------------|
| 1-500 | 1546 | 73.30 | 262761 | 1.26 |
| 501-1000 | 225 | 10.67 | 198515 | 0.96 |
| 1001-2000 | 140 | 6.64 | 226365 | 1.09 |
| 2001-3000 | 74 | 3.51 | 190565 | 0.92 |
| 3001-4000 | 21 | 1.00 | 76165 | 0.37 |
| 4001-5000 | 35 | 1.66 | 171022 | 0.82 |
| 5001-10000 | 34 | 1.61 | 250264 | 1.20 |
| 10001-20777550 | 34 | 1.61 | 19401893 | 93.38 |
| TOTAL | 2109 | 100.00 | 20777550 | 100.00 |

Shareholding pattern as on March 31, 2013

| Category | No. of Shareholders | No. of shares held | % of shareholding |
|--|---------------------|--------------------|-------------------|
| Promoters | 6 | 7551387 | 36.34 |
| Foreign Company | - | - | - |
| Non Resident (Individual & Companies) | 37 | 92126 | 0.44 |
| Foreign Institutional Investors | - | - | - |
| Insurance Companies | 3 | 1243311 | 5.98 |
| Financial Institutions / Banks | 17 | 119150 | 0.58 |
| Mutual Funds | - | - | - |
| Central Government / State Government(s) | 2 | 37200 | 0.18 |
| Resident Individuals | 1954 | 1369792 | 6.59 |
| Clearing Member | 15 | 5176 | 0.03 |
| Trust | 5 | 45500 | 0.22 |
| Other bodies corporate | 69 | 536358 | 2.58 |
| Shares held by custodians and against which Depository Receipts have been issued | 1 | 9777550 | 47.06 |
| TOTAL | 2109 | 20777550 | 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, 2013, a total of 1,88,87,049 shares, which forms 90.90% of the share capital of the Company stands dematerialized and 18,90,501 shares which forms 9.10% 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 Rs. 10/- each, on June 15, 2012. The GDRs issued by the Company are listed on the Luxembourg Stock Exchange. As on March 31, 2013, the total outstanding GDRs stood at 48,88,775.
- (b) During the year, the Company issued and allotted 27,70,000, 10% Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each to the Promoters, N.N. Financial Services Private Limited and Nimbus (India) Limited. Upon conversion of 10,00,000, 10% CCPS, the Company allotted 10,00,000 Equity Shares. The Company has received listing approval of these shares from BSE and is awaiting the approval of NSE. As on March 31, 2013, the total outstanding CCPS stood at 17,70,000.

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

Place : Mumbai
Date: August 01, 2013

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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 Agreement.

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)

Z.F. Billimoria
Partner
(Membership No. 42791)

MUMBAI: 1st August, 2013

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, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and 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 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 the 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 control 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, 2013;
- (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.

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 referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Z. F. Billimoria
Partner
(Membership No. 42791)

MUMBAI, 14th May, 2013

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/result/transactions etc., clauses (ii) regarding inventory, (vi) regarding acceptance of deposits from public, (viii) regarding maintenance of cost records, (x) regarding accumulated losses and cash losses, (xi) regarding default in repayment of dues to banks, financial institutes and debenture holders, (xii) regarding granting of loans and advances on the basis of securities, (xiii) regarding chitfund, nidhi/ mutual benefit fund/ societies, (xvi) regarding application of the term loans and (xix) regarding creation of security for debentures issued, of "the Order" are not applicable to the Company during the year.
- (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 ₹ 270,000,000 to three parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ 530,151,178 (three parties) and the maximum amount involved during the year was ₹ 530,151,178 (three parties).
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been regular/as per stipulations.
- (d) There are no overdue amounts over ₹ 100,000 remaining outstanding as at 31st March, 2013 from the date that they became due for payment.
- 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 sale of services. 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 Act, 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 of the Act that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of ₹ 500,000 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, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company 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 been generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Cess

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)

and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Wealth Tax which have not been deposited as on 31st March, 2013 on account of disputes are given below:

| | 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 Wealth tax Act, 1957 | Wealth tax | High Court, Mumbai | A.Y. 1997-98 | 3,250,246 |

- (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 or no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 117365W)

Z. F. Billimoria
Partner
(Membership No. 42791)

MUMBAI, 14th May, 2013

- (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) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act at a price which, in our opinion, is prima facie not prejudicial to the interest of the Company.

BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note No. | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--------------------------------|----------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2.1 | 225,475,500 | 100,000,000 |
| Reserves and surplus | 2.2 | 5,000,373,303 | 764,429,115 |
| | | 5,225,848,803 | 864,429,115 |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | 2.3 | 611,304 | 649,304 |
| | | 611,304 | 649,304 |
| Current liabilities | | | |
| Trade payables | 2.4 | 1,864,467 | 883,658 |
| Other current liabilities | 2.5 | 19,286,327 | 18,616,740 |
| Short-term provisions | 2.6 | 38,946,851 | 19,321,758 |
| | | 60,097,645 | 38,822,156 |
| TOTAL | | 5,286,557,752 | 903,900,575 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets - Tangible | 2.7 | 5,737,519 | 5,738,042 |
| Non-current investments | 2.8 | 1,143,251,392 | 397,989,725 |
| Long-term loans and advances | 2.9 | 2,526,372,734 | 33,164,879 |
| | | 3,675,361,645 | 436,892,646 |
| Current assets | | | |
| Current investments | 2.10 | 273,466,517 | - |
| Cash and Bank balances | 2.11 | 692,483,441 | 51,288,729 |
| Short-term loans and advances | 2.12 | 633,977,821 | 414,499,322 |
| Other current assets | 2.13 | 11,268,328 | 1,219,878 |
| | | 1,611,196,107 | 467,007,929 |
| TOTAL | | 5,286,557,752 | 903,900,575 |

See accompanying notes (1 and 2.1 to 2.26) 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
Chairman

BIPIN AGARWAL
Director

Z. F. BILLIMORIA
Partner

CUMI BANERJEE
CEO & Company Secretary

SHISHIR KARNIK
Group CFO

Mumbai: 14th May, 2013

Mumbai: 14th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| Particulars | Note No. | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--|----------|-------------------------------------|-------------------------------------|
| Revenue from operations | 2.14 | 144,497,397 | 45,618,183 |
| Other income | 2.15 | 444,001 | 32,351 |
| Total Revenue | | 144,941,398 | 45,650,534 |
| Employee benefits expense | 2.16 | 9,553,109 | 8,585,630 |
| Interest on income-tax | | - | 215,000 |
| Depreciation expense | | | |
| - on investment property | | 10,019 | 10,546 |
| - on fixed assets - tangible | 2.7 | 920,531 | 853,388 |
| Other expenses | 2.17 | 16,347,647 | 13,745,026 |
| Net loss on sale of long-term investments | | - | 42,763,032 |
| Provision for write-down in value of current investments | | 149,378 | - |
| Provision for diminution in value of long-term investments | | 8,600,000 | 7,578,825 |
| Net loss on sale of current investments | | - | 2,877,586 |
| Contingent provision against standard assets | | 951,000 | 502,884 |
| Loss from trading of equity stock futures | | 1,307,910 | - |
| Total expenses | | 37,839,594 | 77,131,917 |
| Profit / (Loss) before exceptional items and tax | | 107,101,804 | (31,481,383) |
| Exceptional items | 2.18 | - | 80,000,000 |
| Profit before tax | | 107,101,804 | 48,518,617 |
| Tax expense: | | | |
| (a) Current tax | | 32,600,000 | 10,219,000 |
| (b) Less: MAT Credit | | (11,100,000) | - |
| (c) Net current tax expense | | 21,500,000 | 10,219,000 |
| (d) Deferred tax | 2.3 | (38,000) | (369,917) |
| | | 21,462,000 | 9,849,083 |
| Profit for the year | | 85,639,804 | 38,669,533 |
| Earnings per equity share: | 2.20 | | |
| Basic | | 4.73 | 3.87 |
| Diluted | | 4.53 | 3.87 |
| Nominal Value per equity share (₹) | | 10.00 | 10.00 |

See accompanying notes (1 and 2.1 to 2.26) forming part of the financial statements

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

Z. F. BILLIMORIA
Partner

Mumbai: 14th May, 2013

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 14th May, 2013

BIPIN AGARWAL
Director

SHISHIR KARNIK
Group CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 107,101,804 | 48,518,617 |
| Adjustments for: | | |
| Depreciation on fixed assets - tangible | 920,531 | 853,388 |
| Depreciation on investment property | 10,019 | 10,546 |
| Interest income | (111,097,635) | (19,929,322) |
| Provision for doubtful loans no longer required | - | (80,000,000) |
| Loss on write off / sale of fixed assets | (6,742) | 25,229 |
| Finance costs - interest on income tax | - | 215,000 |
| Provision for compensated absences | - | 679,542 |
| Provision for diminution in value of long-term investments | 8,600,000 | 7,578,825 |
| Contingent provisions against standard assets | 951,000 | 502,885 |
| Provision for write-down in value of current investment | 149,378 | - |
| Net (profit) / loss on sale of long-term investments | (1,340,413) | 42,763,032 |
| Net loss on sale of current investments | (2,439,721) | 2,877,586 |
| Operating profit before working capital changes | 2,848,222 | 4,095,328 |
| Changes in working capital | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Short-term loans and advances | 8,064,827 | 36,692,322 |
| Long-term loans and advances | 7,201,596 | 1,259,653 |
| Dividend Account balance with Bank | (550,953) | (663,742) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 980,809 | 65,929 |
| Other current liabilities | 118,633 | 1,056,748 |
| Short-term provisions | - | (23,577) |
| Other adjustments : | | |
| Bank balances not considered as cash and cash equivalents | | |
| - Placed | (13,415,712,458) | (121,584,764) |
| - Matured | 12,763,866,163 | 119,513,307 |
| Purchase of long-term investments | (612,128,800) | - |
| Sale of long-term investments | 2,858,377 | 108,272,087 |
| Purchase of current investments | (580,629,885) | (256,249,258) |
| Sale of current investments | 309,453,710 | 261,415,535 |
| Advance against investments | (2,500,000,000) | - |
| Repayment of loans from subsidiary | - | 102,500,000 |
| Loans granted to subsidiary | (30,000,000) | (117,000,000) |
| Loans granted to others | (340,000,000) | (187,500,000) |
| Repayment of loans from others | - | 80,000,000 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|---|-------------------------------------|-------------------------------------|
| Interest received from: | | |
| - subsidiary | 7,677,042 | 9,676,370 |
| - others | 93,372,146 | 10,116,012 |
| Cash flow from operations | (4,282,580,571) | 51,641,950 |
| Net income tax paid | (22,789,622) | (12,210,622) |
| Net cash generated from / (used in) operating activities | (4,305,370,194) | 39,431,328 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (1,193,266) | (1,823,211) |
| Proceeds from Sale of Fixed assets | 280,000 | 9,250 |
| Net cash used in investing activities | (913,266) | (1,813,961) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of equity share (including GDS) | 3,354,044,941 | - |
| Issue of Compulsorily Convertible Preference Shares (CCPS) | 957,918,029 | - |
| Dividend and tax on dividend paid | (16,882,046) | (15,966,619) |
| Net cash generated from / (used in) financing activities | 4,295,080,924 | (15,966,619) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (11,202,536) | 21,650,748 |
| D. CASH AND CASH EQUIVALENTS (See Note 2.11) | | |
| As at the commencement of the year | 28,284,044 | 6,633,296 |
| As at the end of the year | 17,081,508 | 28,284,044 |
| NET INCREASE / (DECREASE) AS DISCLOSED ABOVE | (11,202,536) | 21,650,748 |

Note:

1 Investment and leasing are the principal business activities of the Company and therefore the cash flow relating to them is included under operating activities.

2 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
Chairman

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CEO & Company Secretary

SHISHIR KARNIK
Group CFO

Mumbai: 14th May, 2013

Mumbai: 14th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Significant Accounting Policies

1.1 Basis of accounting:

The financial statements are prepared under historical cost convention, on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the said Act. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

1.2 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 and known.
- (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 - Future:

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.

1.3 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.

1.4 Depreciation:

- (a) Depreciation on fixed assets and investment in immovable property 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

1 Significant Accounting Policies (Contd.)

1.5 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 tangible fixed assets.

1.6 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. Deferred tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the Balance Sheet date.

Deferred tax assets other than on carried forward losses and unabsorbed depreciation are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets on account of carried forward losses and unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal Income-tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

1.7 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.

1.8 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.

1.9 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 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 Plan are charged to Statement of Profit and Loss as incurred.

2. Defined Benefit Plans:

i. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to LIC of India based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

1 Significant Accounting Policies (Contd.)

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.

1.10 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 expenses 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.

1.11 Share issue expenses:

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

2.1 Share Capital

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31st March, 2013 | 31st March, 2012 |
| | ₹ | ₹ |
| Authorised | | |
| 30,000,000 (previous year 35,000,000) Equity shares of ₹ 10 each | 300,000,000 | 350,000,000 |
| 5,000,000 (previous year Nil) Preference shares of ₹ 10 each | 50,000,000 | - |
| Issued, subscribed and paid-up: | | |
| 20,777,550 (previous year 10,000,000) Equity shares of ₹ 10 each fully paid-up [Included above are 4,888,775 (Previous year: Nil) Global Depository Shares "GDS" representing 9,777,550 (Previous year: Nil) equity shares] | 207,775,500 | 100,000,000 |
| 1,770,000 (previous year Nil) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each fully paid-up | 17,700,000 | - |
| Total | 225,475,500 | 100,000,000 |

(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, 2013 | | As at 31st March, 2012 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Opening Balance | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Add:- Issued during the year | 9,777,550 | 97,775,500 | - | - |
| Add:- Conversion of CCPS to equity shares | 1,000,000 | 10,000,000 | - | - |
| Closing balance | 20,777,550 | 207,775,500 | 10,000,000 | 100,000,000 |

During the year, the Company 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. The GDSs issue expenses aggregating to ₹ 36,089,524 on account of legal and professional fees, listing fees, depository fees etc. have been adjusted against the Securities Premium Account.

| 10% Compulsory Convertible Preference Shares | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|-------------------|------------------------|---|
| | No. of shares | ₹ | No. of shares | ₹ |
| Opening Balance | - | - | - | - |
| Add:- Issued during the year | 2,770,000 | 27,700,000 | - | - |
| Less:- Conversion of CCPS to equity shares | 1,000,000 | 10,000,000 | - | - |
| Closing balance | 1,770,000 | 17,700,000 | - | - |

During period, the Company has allotted 1,770,000 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 issue expenses aggregating to ₹ 1,581,971 pertaining to the same have been adjusted against the Securities Premium Account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.1 Share Capital (Contd.)

(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.

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.

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. Further such CCPS shall carry dividend @10%.

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

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| N. N. Financial Services Private Limited | 5,787,960 | 27.86 | 4,987,960 | 49.88 |
| Nimbus India Limited | 1,713,427 | 8.25 | 1,513,427 | 15.13 |
| Life Insurance Corporation of India | 1,225,017 | 5.90 | 1,225,017 | 12.25 |
| The Bank of New York Mellon (for GDS holders) | 9,777,550 | 47.06 | Nil | Nil |

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

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| N. N. Financial Services Private Limited | 1,300,000 | 73.45 | Nil | Nil |
| Nimbus India Limited | 470,000 | 26.55 | Nil | Nil |

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

Regarding issue of preference shares:

| Particulars | During the year ended 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 |
| Purpose for which the money received has been utilized: | | |
| a. Short Term Loans and Advances | 340,000,000 | |
| b. Non Current Investments | 300,000,000 | |
| c. Direct Expenses incurred towards the CCPS Issue | 1,581,971 | 641,581,971 |
| Unutilised monies as at 31 March, 2013 | | 327,918,029 |
| Balance amount of ₹ 327,918,029 is in Current Investments including Short Term liquid Mutual Funds and Fixed Deposits with Banks. | | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.2 Reserves and Surplus

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|--------------------------------|--------------------------------|
| Capital Reserve | | |
| Balance as per last Balance Sheet | 750 | 750 |
| General Reserve | | |
| Opening balance | 170,746,058 | 168,812,058 |
| Add: Transfer from Surplus in the Statement of Profit and Loss | 4,281,990 | 1,934,000 |
| Closing balance | 175,028,048 | 170,746,058 |
| Special Reserve (as per the RBI regulations) | | |
| Opening balance | 257,959,000 | 250,225,000 |
| Add: Transfer from Surplus in the Statement of Profit and Loss | 17,127,961 | 7,734,000 |
| Closing balance | 275,086,961 | 257,959,000 |
| Securities Premium Account | | |
| Opening balance | - | - |
| Add : Premium on issue of GDS | 3,279,831,225 | - |
| Add : Premium on issue of CCPS | 941,800,000 | - |
| Less: Utilised during the period for: | | |
| Writing off GDS issue expenses | 33,561,785# | - |
| Writing off CCPS issue expenses | 1,581,971 | - |
| Closing balance | 4,186,487,470 | - |
| Surplus in Statement of Profit and Loss | | |
| Opening balance | 335,723,307 | 323,293,635 |
| Add: Profit for the period | 85,639,804 | 38,669,533 |
| Less: Dividend proposed to be distributed to equity shareholders (₹ 1.50 per share, previous year ₹ 1.50 per share) | 29,703,311 | 15,000,000 |
| Less: Dividend proposed to be distributed to CCPS shareholders (₹ 1.00 per share, previous year ₹ Nil per share) | 1,223,726 | - |
| Less: Tax on dividend | 5,256,050 | 1,571,861* |
| Transferred to: | | |
| - General Reserve | 4,281,990 | 1,934,000 |
| - Special Reserve | 17,127,961 | 7,734,000 |
| Closing balance | 363,770,073 | 335,723,307 |
| Total | 5,000,373,303 | 764,429,115 |

* Tax on dividend is net of ₹ 861,139 being reversal of excess tax on dividend which is on account of dividend distribution tax paid by a subsidiary company on interim dividend under Section 115-O of Income Tax act, 1961.

Includes ₹ 16,68,920 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, 2012 ₹ | (Charge) / credit for the current year ₹ | Deferred tax assets / (liabilities) As at 31st March, 2013 ₹ |
|----------------------------------|---|--|---|
| Deferred tax liabilities: | | | |
| Depreciation | (1,028,568) | 56,000 | (972,568) |
| Deferred tax assets: | | | |
| Items covered under section 43B | 379,264 | (18,000) | 361,264 |
| Net Amount | <u>(649,304)</u> | <u>38,000</u> | <u>(611,304)</u> |

The Company has not recognised deferred tax assets of ₹ 2,697,873 (previous year ₹ 3,710,364) on account of carry forward losses under the head capital gains and business losses and Unabsorbed Depreciation due to absence of virtual certainty.

MAT credit of ₹ 50,456,914 (previous year ₹ 62,863,401) is not recognised as an asset in the absence of convincing evidence that the Company will pay normal tax during the specified period.

2.4 Trade payables

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|------------------------|--------------------------------|--------------------------------|
| Provision for expenses | 1,864,467 | 883,658 |
| Total | <u>1,864,467</u> | <u>883,658</u> |

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, 2013 ₹ | As at 31st March, 2012 ₹ |
|----------------------------|--------------------------------|--------------------------------|
| Unpaid dividends* | 3,984,182 | 3,433,228 |
| Security deposits received | 13,659,845 | 13,659,845 |
| Rent received in advance | 1,309,568 | 1,309,568 |
| Statutory remittances | 324,007 | 205,374 |
| Others | 8,725 | 8,725 |
| Total | <u>19,286,327</u> | <u>18,616,740</u> |

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

2.6 Short term provisions

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|--------------------------------|--------------------------------|
| Dividend proposed to equity shareholders | 29,703,311 | 15,000,000 |
| Dividend proposed to CCPS shareholders | 1,223,726 | - |
| Provision for tax on above proposed dividend | 5,256,050 | 2,433,000 |
| Contingent Provision against Standard Assets | 1,595,000 | 644,000 |
| Provision for employee benefits - Compensated absences | 1,168,764 | 1,168,764 |
| Provision for income tax [net of advance tax ₹ Nil (previous year ₹ 25,744,501)] | - | 25,499 |
| Provision for fringe benefit tax [net of advance tax ₹ Nil (previous year ₹ 133,505)] | - | 50,495 |
| Total | <u>38,946,851</u> | <u>19,321,758</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.7 Fixed Assets - Tangible

| ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|-----------------------|------------------|----------------|------------------------|-----------------------|----------------|----------------|------------------------|------------------------|------------------|
| | As at 1st April, 2012 | Additions | Disposals | As at 31st March, 2013 | As at 1st April, 2012 | For the period | On disposals | As at 31st March, 2013 | As at 31st March, 2012 | |
| Buildings | 9,100,000 | - | - | 9,100,000 | 5,485,351 | 180,732 | - | 5,666,083 | 3,433,917 | 3,614,649 |
| Furniture and fixtures | 161,626 | - | - | 161,626 | 97,488 | 11,609 | - | 109,097 | 52,529 | 64,138 |
| Vehicles | 2,522,766 | 947,429 | 905,870 | 2,564,325 | 1,051,228 | 555,524 | 632,612 | 974,140 | 1,590,185 | 1,471,538 |
| Office equipment | 1,054,400 | 106,432 | - | 1,160,832 | 544,676 | 85,707 | - | 630,383 | 530,449 | 509,724 |
| Computers | 164,197 | 139,405 | - | 303,602 | 86,204 | 86,959 | - | 173,163 | 130,439 | 77,993 |
| Total | 13,002,989 | 1,193,266 | 905,870 | 13,290,385 | 7,264,947 | 920,531 | 632,612 | 7,552,866 | 5,737,519 | 5,738,042 |
| Previous year | 14,231,503 | 1,823,211 | 3,051,725 | 13,002,989 | 9,428,805 | 853,388 | 3,017,246 | 7,264,947 | | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.8 Non-current investments

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|--------------------------------|--------------------------------|
| Trade Investments-(valued at cost) [See Note 2.8 (a)] | | |
| Investment in Equity Instruments (fully paid-up): | | |
| - of subsidiaries, unquoted | 143,910,000 | 143,910,000 |
| - of a subsidiary, quoted | 136,123,073 | 136,123,073 |
| Sub-total | 280,033,073 | 280,033,073 |
| Other Investments - (valued at cost unless otherwise stated) | | |
| Investment in Equity Instruments (fully paid-up) [See Note 2.8 (a)]: | | |
| - unquoted | 155,181,250 | 11,920,399 |
| - quoted | 186,210,239 | 175,599,404 |
| Less: Provision for diminution in the value of investments | (78,363,526) | (69,763,526) |
| | 107,846,713 | 105,835,878 |
| Investment in 10% Cumulative Redeemable Preference shares (fully paid-up) | | |
| - unquoted (face value of ₹ 10 each) | | |
| World Resorts Limited [(No of shares 5,000,000 (previous year Nil)] | 250,000,000 | - |
| | 250,000,000 | - |
| Investment in 12% Non-Convertible Cumulative Redeemable Preference shares (fully paid-up) | | |
| - unquoted (face value of ₹ 10 each) | | |
| IITL Projects Limited - subsidiary [(No of shares 7,000,000 (previous year Nil)] | 350,000,000 | - |
| | 350,000,000 | - |
| Investment property (valued at cost less accumulated depreciation) | | |
| Immovable property (cost) | 1,069,071 | 1,069,071 |
| Less: Accumulated depreciation | (878,715) | (868,696) |
| | 190,356 | 200,375 |
| Sub-total | 863,218,319 | 117,956,652 |
| Total | 1,143,251,392 | 397,989,725 |
| Aggregate amount of quoted investments (net of provision) | 243,969,786 | 241,958,951 |
| Aggregate market value of quoted investments | 132,454,270 | 203,060,804 |
| Aggregate amount of unquoted investments | 899,091,250 | 155,830,399 |
| Investment property | 190,356 | 200,375 |

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, 2013 | | As at 31st March, 2012 | |
|--|------------------------------|------------------------|--------------------|------------------------|--------------------|
| | | Holding Nos. | Book Value ₹ | Holding Nos. | Book Value ₹ |
| TRADE INVESTMENTS | | | | | |
| Investment in Equity Instruments (fully paid-up): | | | | | |
| - of subsidiaries, unquoted | | | | | |
| IIT Investrust 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 |
| Total | | | 143,910,000 | | 143,910,000 |
| - of a subsidiary, quoted | | | | | |
| IITL Projects Limited | 10 | 3,580,347 | 136,123,073 | 3,580,347 | 136,123,073 |
| Total | | | 136,123,073 | | 136,123,073 |
| OTHER INVESTMENTS | | | | | |
| Investment in Equity Instruments (fully paid-up): | | | | | |
| - of other entities, unquoted | | | | | |
| World Resorts Limited | 10 | 13,018,125 | 155,181,250 | 1,000,000 | 11,920,399 |
| Total | | | 155,181,250 | | 11,920,399 |
| - 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 | 10,000 | 2,234,479 |
| Mercator lines Limited | 1 | 6,080 | 904,607 | 6,080 | 904,607 |
| 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 | 3,668,331 | 10,000 | 3,668,331 |
| 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 | 158,825 | 21,160,200 |
| United Breweries (Holdings) Limited | 10 | 893 | 806,572 | 893 | 806,572 |
| Wockhardt Limited | 5 | 800 | 338,137 | 3,700 | 1,565,617 |
| Total | | | 186,210,239 | | 175,599,404 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.9 Long-term loans and advances (unsecured, considered good, unless otherwise stated)

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|--------------------------------|--------------------------------|
| Unsecured: | | |
| Advance against investment [See Note (a) below] | 2,500,000,000 | - |
| Security deposits | 12,332,960 | 19,519,000 |
| Amount recoverable from gratuity fund | 465,794 | 481,350 |
| Advance payment of income tax [net of provisions ₹ 49,552,000 (As at 31st March, 2012 ₹ 9,350,000)] | 13,573,980 | 13,164,529 |
| Loans to others (considered doubtful) | 4,500,000 | 4,500,000 |
| Less: Provision for doubtful loans | (4,500,000) | (4,500,000) |
| | - | - |
| Total | 2,526,372,734 | 33,164,879 |

(a) Share purchase agreement:

The Company has entered into a Share Purchase Agreement (SPA) with Pantaloon Retail (India) 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. The Company has given advance of Rs. 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores only) against the proposed investments to Pantaloon Retail (India) Limited. Pantaloon Retail (India) Limited has furnished bank guarantee in favour of the Company to secure the advance. The acquisition is subject to approval from Reserve Bank of India, Insurance Regulatory and Development Authority and Competition Commission of India.

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

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|--------------------------------|--------------------------------|
| Investment in Equity Instruments (fully paid-up) [See Note 2.10 (a)] | | |
| - quoted | 524,138 | - |
| Less: Provision for diminution in the value of investments | (149,378) | - |
| | 374,760 | - |
| Investment in Mutual Funds (fully paid-up) [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, 2013 | | As at 31st March, 2012 | |
|--|------------------------------|------------------------|--------------------|------------------------|-----------------|
| | | Holding Nos. | Book Value ₹ | Holding Nos. | Book Value ₹ |
| Investment in Equity Instruments (fully paid-up): | | | | | |
| - of other entities, quoted | | | | | |
| Tata Steel Limited | 10 | 1,200 | 524,138 | - | - |
| Total | | | 524,138 | | - |
| Investment in Mutual Funds (fully paid-up): | | | | | |
| - 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 | 107,838,083 | - | - |
| SBI Ultra Short Term Debt Fund - Daily Dividend | 1,000 | 101,047 | 112,838,669 | - | - |
| Total | | | 273,091,757 | | - |

2.11 Cash and bank balances

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|--------------------------------|--------------------------------|
| Cash and cash equivalents: | | |
| Cash on hand | 12,251 | 12,285 |
| Cheques on hand | 10,720,272 | 5,227,282 |
| Balances with banks | | |
| - In current accounts | 6,348,985 | 23,044,477 |
| | 17,081,508 | 28,284,044 |
| Other bank balances: | | |
| - In deposit accounts with original maturity of more than 3 months but less than or equal to 12 months | 671,417,752 | 19,571,457 |
| - In earmarked accounts - unpaid dividend accounts | 3,984,181 | 3,433,228 |
| | 675,401,933 | 23,004,685 |
| Total | 692,483,441 | 51,288,729 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|--------------------------------|--------------------------------|
| Loans and advances to related parties [See Note 2.21 (ii)] | | |
| Loan to a subsidiary | 100,000,000 | 70,000,000 |
| Advances to subsidiaries | 657,233 | 10,199,748 |
| Loans to entities under significant influence | 427,500,000 | 187,500,000 |
| | 528,157,233 | 267,699,748 |
| Other loans and advances | | |
| Security deposits | 4,311,624 | 1,421,350 |
| Loan to others | 100,000,000 | - |
| Prepaid expenses | 176,216 | 430,115 |
| Amount recoverable from gratuity fund | - | 53,483 |
| Advance against investments | - | 143,260,851 |
| Advances to others | 119,027 | 1,224,231 |
| Advance payment of income tax [net of provision ₹ 47,300,000 (As at 31st March 2012 ₹ 40,202,000)] | 1,213,721 | 409,544 |
| | 105,820,588 | 146,799,574 |
| Total | 633,977,821 | 414,499,322 |

2.13 Other current assets (Unsecured, considered good unless otherwise stated)

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|--------------------------------|--------------------------------|
| Interest accrued on: | | |
| - bank deposits | 1,795,230 | 1,219,878 |
| - loan to a subsidiary | 2,651,177 | - |
| - loans to others [considered doubtful ₹ Nil (as at 31st March, 2012 ₹ 151,315)] | 6,821,921 | 151,315 |
| Less: Provision for doubtful interest | - | (151,315) |
| | 6,821,921 | - |
| Total | 11,268,328 | 1,219,878 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.14 Revenue from operations

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--|-------------------------------------|-------------------------------------|
| Interest [See Note 2.14 (a)] | 111,097,635 | 19,929,322 |
| Other financial services [See Note 2.14 (b)] | 17,684,946 | 9,974,045 |
| Other operating income [See Note 2.14 (c)] | 15,714,816 | 15,714,816 |
| Total | 144,497,397 | 45,618,183 |

2.14 (a) Interest

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--------------------------|-------------------------------------|-------------------------------------|
| INTEREST: | | |
| - On deposits with banks | 58,484,210 | 5,041,536 |
| - On loans | 52,613,425 | 14,887,786 |
| Total | 111,097,635 | 19,929,322 |

2.14 (b) Other financial services

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|---|-------------------------------------|-------------------------------------|
| Dividend income on long-term investments: | | |
| - From a subsidiary | - | 4,950,000 |
| - From others | 449,073 | 1,197,863 |
| Dividend income on current investments | 13,455,739 | - |
| Net profit on sale of long-term investments | 1,340,413 | - |
| Net profit on trading in equity shares | 2,439,721 | - |
| Net profit from equity stock futures | - | 3,826,182 |
| Total | 17,684,946 | 9,974,045 |

2.14 (c) Other operating income

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|----------------------------|-------------------------------------|-------------------------------------|
| Rent on immovable property | 15,714,816 | 15,714,816 |
| Total | 15,714,816 | 15,714,816 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.15 Other income

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Profit on sale of fixed assets (net) | 6,742 | - |
| Others | 437,259 | 32,351 |
| Total | 444,001 | 32,351 |

2.16 Employee benefits expense

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|---|-------------------------------------|-------------------------------------|
| Salaries and bonus | 8,557,989 | 7,601,332 |
| Contribution to provident and other funds [See Note 2.22 (a)] | 667,063 | 678,908 |
| Staff welfare expenses | 328,057 | 305,390 |
| Total | 9,553,109 | 8,585,630 |

2.17 Other expenses

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--|-------------------------------------|-------------------------------------|
| Electricity (net of recovery ₹ 594,037; previous year ₹ 540,919) | 975,086 | 753,774 |
| Rent (net of recovery ₹ 1,320,000 ; previous year ₹ 2,683,694) [See Note 2.17 (a)] | 962,700 | 1,520,015 |
| Insurance | 41,669 | 9,720 |
| Repairs and Maintenance: | | |
| - Buildings (net of recovery ₹ 1,320,000 ; previous year ₹ 1,320,000) | 1,016,564 | 1,151,113 |
| - Others | 619,221 | 579,216 |
| | 1,635,785 | 1,730,329 |
| Rates and taxes | 17,190 | 3,000 |
| Travelling and conveyance | 2,501,160 | 3,060,888 |
| Printing and stationery | 248,627 | 151,227 |
| Communication expenses (net of recovery ₹ 20,086 ; previous year ₹ 104,397) | 347,266 | 237,142 |
| Legal and Professional Fees | 2,574,031 | 1,878,143 |
| Directors' fees | 1,978,180 | 855,000 |
| Membership fees | 1,597,838 | 284,675 |
| Payment to auditors [See Note 2.17 (b)] | 1,546,793 | 1,184,515 |
| Loan written off | - | 3,348,000 |
| Less: provision held | - | (3,348,000) |
| | - | - |
| Business promotion | 787,121 | 1,395,191 |
| Loss on write off / sale of fixed assets | - | 25,229 |
| Miscellaneous expenditure | 1,134,201 | 656,178 |
| Total | 16,347,647 | 13,745,026 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.17(a) The Company has taken an office premise on operating lease. The lease term is on the basis of the agreement entered into with the landlord. 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 ₹ 962,700 (previous year: ₹ 1,520,015). [net of recoveries ₹ 1,320,000 (previous year: ₹ 2,683,694)]

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

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|---|-------------------------------------|-------------------------------------|
| Not later than one year | 2,282,700 | 2,282,700 |
| Later than one year but not later than five years | 3,043,600 | 5,326,300 |
| Later than five years | - | - |
| Total | 5,326,300 | 7,609,000 |

2.17(b) Payments to the auditors

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|-------------------------------|-------------------------------------|-------------------------------------|
| As auditors - statutory audit | 350,000 | 350,000 |
| For other services | 1,005,000 | 700,000 |
| Reimbursement of expenses | 24,311 | 11,360 |
| Service tax | 167,482 | 123,155 |
| Total | 1,546,793 | 1,184,515 |

2.18 Exceptional items

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--|-------------------------------------|-------------------------------------|
| Provision on doubtful loans no longer required | - | 80,000,000 |
| Total | - | 80,000,000 |

2.19 Contingent liabilities not provided for in respect of

(a) Taxation

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|--------------------------------|--------------------------------|
| (a) Disputed income-tax matters in appeal | 11,863,325 | 11,863,325 |
| (b) Disputed wealth-tax matter in appeal | 3,250,246 | 3,250,246 |

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

(b) Guarantees

| | | |
|---|-------------|-------------|
| Guarantees given to banks on behalf of third party. | 253,400,000 | 353,400,000 |
|---|-------------|-------------|

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.20 Earnings per share

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|--|-------------------------------------|-------------------------------------|
| (a) Profit for the period | 85,639,804 | 38,669,533 |
| (b) Less: Adjustment for dividend and dividend distribution tax on CCPS | 1,431,698 | - |
| (c) Net amount available for equity shareholders | 84,208,106 | 38,669,533 |
| (d) Weighted average number of equity shares used in computing Basic Earnings per share (Nos.) | 17,793,122 | 10,000,000 |
| (e) Effect of weighted average potential equity shares on conversion of 10% CCPS (Nos.) | 790,849 | - |
| (f) Weighted average number of equity shares used in computing Diluted Earnings per share (Nos.) | 18,583,971 | 10,000,000 |
| (g) Basic Earnings per share (Face value ₹ 10/-) | 4.73 | 3.87 |
| (h) Diluted Earnings per share | 4.53 | 3.87 |

2.21 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

Associate company:

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

(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

Entities over which IITL Projects Limited, a subsidiary 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

(ii) Balances outstanding / transactions with related parties:

(a) Key management personnel:

| Sr. No. | Nature of transactions | ₹ |
|---------|--|---------------------------------|
| (1) | Volume of transactions: Remuneration paid to Dr. B. Samal | 2,352,000 (2,352,000) |

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.21 Related party disclosures: (Contd.)

(b) Other related parties:

| Sr. No. | Nature of transactions | Subsidiary companies ₹ | Entities under Significant influence ₹ | Associate companies ₹ |
|---------|--|------------------------------------|---|---------------------------|
| (I) | Volume of transactions: | | | |
| (i) | Loans given | | | |
| | -IITL Projects Limited | 30,000,000 (117,000,000) | - (-) | - (-) |
| | -IITL Nimbus The Express Park View | - | 35,000,000 | - |
| | -IITL Nimbus The Palm Village | (-) | (92,500,000) | (-) |
| | -IITL Nimbus The Hyde Park Noida | (-) | 205,000,000 (95,000,000) | (-) |
| | | (-) | - | - |
| | | (-) | (-) | (-) |
| (ii) | Refund of loans given | | | |
| | - IITL Projects Limited | - (102,500,000) | - (-) | - (-) |
| (iii) | Interest income | | | |
| | - IITL Projects Limited | 10,328,219 (8,730,408) | - (-) | - (-) |
| | -IIT Investrust Limited | - | - | - |
| | -IITL Nimbus The Express Park View | (-) | (-) | (-) |
| | -IITL Nimbus The Palm Village | (-) | 12,952,603 (2,757,378) | (-) |
| | -IITL Nimbus The Hyde Park Noida | (-) | 22,510,686 (3,400,000) | (-) |
| | | (-) | - | - |
| | | (-) | (-) | (-) |
| (vi) | Dividend received | | | |
| | -IIT Investrust Limited | - (4,950,000) | - (-) | - (-) |
| (v) | Investments in preference shares | | | |
| | - IITL Projects Limited | 350,000,000 (-) | - (-) | - (-) |
| | - World Resorts Limited | - (-) | - (-) | 250,000,000 (-) |
| (vi) | Investments in Equity shares | | | |
| | - World Resorts Limited | - (-) | - (-) | 155,181,250 (-) |
| (II) | Balances at year-end | | | |
| | Amount receivable as at year-end | | | |
| | -IIT Investrust Limited | 441,389 (10,086,800) | - (-) | - (-) |
| | - IITL Projects Limited | 102,671,349 (70,037,504) | - (-) | - (-) |
| | -IIT Insurance Broking & Risk Management Private Limited | 192,600 (75,444) | - (-) | - (-) |
| | -IITL Nimbus The Express Park View | - | 127,500,000 | - |
| | -IITL Nimbus The Palm Village | (-) | (92,500,000) | (-) |
| | | (-) | 300,000,000 | - |
| | | (-) | (95,000,000) | (-) |

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.21 Related party disclosures (Contd.):

(iii) Additional disclosures as required by the amended clause 32 of the listing agreement with Bombay Stock Exchange:

| | Particulars | Balance as at | Maximum amount outstanding during the year ended | No. of shares of the company held by the loanees as at |
|----|---|------------------------------------|--|--|
| | | 31st March, 2013 | 31st March, 2013 | 31st March, 2013 |
| | | ₹ | ₹ | ₹ |
| A. | Loans and advances in the nature of loans to subsidiaries- | | | |
| | -IITL Projects Limited | 102,651,177 (70,000,000) | 100,000,000 (115,000,000) | - (-) |
| B. | Loans and advances in the nature of loans where there is: (i) Payment beyond seven years or (ii) no interest or interest below Section 372A of the Companies Act, 1956- | | | |
| | (i) IIT Corporate Services Limited* | - (-) | - (83,348,000) | - (-) |
| | (ii) Yash Safety Product Limited* | 2,500,000 (2,500,000) | 2,500,000 (2,500,000) | - (-) |
| | (iii) Micro Precision Pumps & Gears Limited* | 2,000,000 (2,000,000) | 2,000,000 (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 corresponding figures of the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.22 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, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| | ₹ | ₹ |
| Employer's contribution to Regional Provident Fund Commissioner | 513,558 | 531,300 |
| Employer's contribution to Family Pension Fund | 53,970 | 51,348 |

(b) Defined Benefit Plan

Gratuity (Funded)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| | ₹ | ₹ |
| i Reconciliation of opening and closing balances of Defined Benefit Obligation | | |
| Present value of Defined Benefit Obligation as at the beginning of the year | 984,199 | 770,309 |
| Interest Cost | 78,736 | 61,625 |
| Current Service Cost | 235,471 | 211,909 |
| Benefits paid | - | - |
| Net Actuarial (Gain)/Loss | (83,412) | (59,644) |
| Present value of Defined Benefit Obligation as at the end of the year | 1,214,994 | 984,199 |
| ii Reconciliation of fair value of Plan Assets | | |
| Fair value of Plan Assets as at the beginning of the year | 1,519,032 | 1,218,202 |
| Expected return on Plan Assets | 131,260 | 117,630 |
| Net Actuarial Gain / (Loss) | - | - |
| Employer's Contribution | 30,496 | 183,200 |
| Benefits paid | - | - |
| Fair value of Plan Assets as at the end of the year | 1,680,788 | 1,519,032 |
| The Company expects to contribute ₹ 30,496 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 | 9.71% | 10.33% |
| Funds maintained with Life Insurance Corporation of India | 90.29% | 89.67% |
| 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 | (1,214,994) | (984,199) |
| Fair value of Plan Assets | 1,680,788 | 1,519,032 |
| Net assets recognised in the Balance Sheet | 465,794 | 534,833 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.22 Employee Benefits (Contd.)

| | | | |
|----|--|-----------------|-----------------|
| iv | Components of Employer's Expenses | | |
| | Current Service Cost | 235,471 | 211,909 |
| | Interest Cost | 78,736 | 61,625 |
| | Expected return on Plan Assets | (131,260) | (117,630) |
| | Net Actuarial Loss | <u>(83,412)</u> | <u>(59,644)</u> |
| | Total expense recognised in Statement of Profit and Loss | | |
| | (See 'Contribution to provident and other funds' in Note 2.16) | 99,535 | 96,260 |
| | Actual return on Plan Assets | 131,260 | 117,630 |

| | | | |
|--|--|--------------------------|-------------------------|
| | | Gratuity (funded) | |
| | | 31st March, 2013 | 31st March, 2012 |
| | | ₹ | ₹ |

| | | | |
|---|--|-------|---------------------------------|
| v | Actuarial Assumptions | | |
| | Mortality Table | | LIC (1994-96) (Ultimate) |
| | Discount rate | 8% | 8% |
| | Expected rate of return on Plan Assets | 8.64% | 9.66% |
| | Salary escalation | 6% | 6% |

- 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 (funded) | | | | |
| | | As at | As at | As at | As at | As at |
| | | 31st March, | 31st March, | 31st March, | 31st March, | 31st March, |
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ |
| 1. | Present Value of Defined Benefit Obligation | 1,214,994 | 984,199 | 770,309 | 571,821 | 301,389 |
| 2. | Fair Value of Plan Assets | 1,680,788 | 1,519,032 | 1,218,202 | 840,974 | 564,964 |
| 3. | Funded Status [Surplus] | 465,794 | 534,833 | 447,893 | 269,153 | 263,575 |
| 4. | Net Asset | 465,794 | 534,833 | 447,893 | 269,153 | 263,575 |
| 5. | Experience adjustment arising on: | | | | | |
| | a. Plan Liabilities (Gain)/Loss | (83,412) | (59,644) | (55,540) | 46,798 | 58,345 |
| | b. Plan Assets (Gain)/Loss | 9,737 | 20,174 | 9,804 | 5,639 | 3,060 |

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.23 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.

2.23 (a) Capital to Risk Assets Ratio (“CRAR”)

| Items | As at 31/03/2013 |
|----------------------------|------------------|
| CRAR (%) | 124.60 |
| CRAR - Tier I Capital (%) | 124.56 |
| CRAR - Tier II Capital (%) | 0.04 |

2.23 (b) Exposure to Real Estate Sector

(₹ in lakhs)

| Category | 2012-13 | 2011-12 |
|--|---------|---------|
| 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 |

2.23 (c) Maturity pattern of certain items of Assets and Liabilities (Based on RBI Guidelines at Book values)

For the year 2012-13

(₹ in lakhs)

| Particulars | Liabilities | | Assets | |
|---------------------------------|----------------------|------------------|-----------|-------------|
| | Borrowing from banks | Market Borrowing | Advances | Investments |
| 1 day to 30/31 days (One month) | - | - | - | - |
| Over one month to 2 months | - | - | - | - |
| Over 2 months upto 3 months | - | - | - | 2,734.67 |
| Over 3 months to 6 months | - | - | - | - |
| Over 6 months to 1 year | - | - | 6,275.00 | - |
| Over 1 year to 3 years | - | - | - | - |
| Over 3 years to 5 years | - | - | - | - |
| Over 5 years | - | - | 25,000.00 | 11,432.51 |
| Total | - | - | 31,275.00 | 14,167.18 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note:

The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of revised Schedule VI to the Companies Act, 1956. The above maturity pattern of assets and liabilities has been prepared by the company after taking into consideration 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/management with regard to the timing of various cash flows, which has been relied upon by the auditors.

2.24 Expenditure in foreign currency

| Particulars | Year ended 31st March, 2013 ₹ | Year ended 31st March, 2012 ₹ |
|-----------------------------|-------------------------------------|-------------------------------------|
| Business promotion expenses | 91,066 | 796,411 |
| Total | 91,066 | 796,411 |

2.25 Since the Company has disclosed segment information in the consolidated accounts the same have not been disclosed in the aforesaid financial statements in terms of Para. 4 of Accounting Standard (AS) 17 on Segment Reporting as notified under The Companies (Accounting Standards) Rules, 2006.

2.26 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
Chairman

BIPIN AGARWAL
Director

CUMI BANERJEE
CEO & Company Secretary

SHISHIR KARNIK
Group CFO

Mumbai: 14th May, 2013

Schedule to the Balance Sheet as at 31st March, 2013 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 | 31-03-2013 | | 31-03-2012 | |
|--------------------------|--|--------------------|----------------|--------------------|----------------|
| | | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| Liabilities Side: | | | | | |
| (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 | 31-03-2013 | | 31-03-2012 | |
| | 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 | | 3,160,350,555 | | 447,664,202 |
| | Total | | 3,160,350,555 | | 447,664,202 |
| (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 | 243,969,786 | 241,958,951 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others (please specify) | - | - |
| Assets side : | Amount outstanding | Amount outstanding |
| 2. Unquoted : | | |
| (i) Shares :(a) Equity | 899,091,250 | 155,830,399 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others - Immovable property | 190,356 | 200,375 |
| (vi) Others-Share Application Money | - | - |
| | 1,416,717,909 | 397,989,725 |

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

| Category | 31-03-2013 | | | 31-03-2012 | | |
|---------------------------------|--------------------------|---------------|---------------|--------------------------|-------------|-------------|
| | Amount net of provisions | | | Amount net of provisions | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| 1. Related Parties | | | | | | |
| (a) Subsidiaries | - | 100,657,233 | 100,657,233 | - | 80,199,748 | 80,199,748 |
| (b) Companies in the same group | - | 427,500,000 | 427,500,000 | - | 187,500,000 | 187,500,000 |
| (c) Other related parties | - | - | - | - | - | - |
| 2. Other than related parties | - | 2,632,193,322 | 2,632,193,322 | - | 179,964,453 | 179,964,453 |
| Total | - | 3,160,350,555 | 3,160,350,555 | - | 447,664,202 | 447,664,202 |

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

| Category | 31-03-2013 | | 31-03-2012 | |
|---------------------------------|--|--------------------------------|--|--------------------------------|
| | 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 | 825,362,894 | 880,033,073 | 290,704,227 | 280,033,073 |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | - |
| 2. Other than related parties | 206,182,626 | 263,218,319 | 68,186,976 | 117,756,277 |
| Total | 1,031,545,520 | 1,143,251,392 | 358,891,203 | 397,789,350 |

(8) Other information

| Particulars | 31-03-2013 Amount | 31-03-2012 Amount |
|---|-------------------|-------------------|
| (i) Gross Non-performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 82,863,526 | 744,414,841 |
| (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 BANERJEE
CEO & Company Secretary

SHISHIR KARNIK
Group CFO

Mumbai: 14th May, 2013

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, 2013, 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 / financial information of the subsidiaries and jointly controlled entities referred to below in the Other Matter paragraph, 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, 2013;
- (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.

Other Matter

We did not audit the financial statements of (i) three subsidiaries, whose financial statements reflect total assets (net) of ₹ 310,406,016 as at 31st March, 2013, total revenues of ₹ 169,232,910 and net cash outflows amounting to ₹ 2,516,677 for the year ended on that date; and (ii) four joint ventures, whose financial statements reflect the Group's share of total assets (net) of ₹ 2,660,158,189 as at 31st March, 2013, total revenues of ₹ 783,237,065 and net cash outflows amounting to ₹ 17,254,940 for the year ended on that date; as considered in the Consolidated Financial Statements. 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 and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter

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

Z. F. Billimoria
Partner
(Membership No. 42791)

MUMBAI: 14th May, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note No. | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--------------------------------|----------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2.1 | 225,475,500 | 100,000,000 |
| Reserves and surplus | 2.2 | 5,042,195,513 | 785,923,102 |
| | | 5,267,671,013 | 885,923,102 |
| Minority Interest | | 27,336,752 | 1,719,433 |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | 2.3 | 1,324,850 | 1,422,980 |
| Other long-term liabilities | 2.4 | 1,316,859,261 | 1,426,310,699 |
| Long-term provisions | 2.5 | 3,715,854 | 1,046,957 |
| | | 1,321,899,965 | 1,428,780,636 |
| Current liabilities | | | |
| Short term borrowings | 2.6 | 127,062,500 | 208,675,000 |
| Trade payables | 2.7 | 291,170,043 | 217,766,501 |
| Other current liabilities | 2.8 | 1,018,170,070 | 725,665,882 |
| Short-term provisions | 2.9 | 62,325,134 | 28,184,199 |
| | | 1,498,727,747 | 1,180,291,582 |
| TOTAL | | 8,115,635,477 | 3,496,714,753 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| (i) Tangible assets | 2.10 | 14,533,455 | 15,966,325 |
| (ii) Intangible assets | 2.10 | 2,011,084 | 2,714,001 |
| Goodwill on consolidation | | 88,816,011 | 88,816,011 |
| Non-current investments | 2.11 | 574,687,305 | 160,456,653 |
| Long-term loans and advances | 2.12 | 2,562,019,596 | 67,048,940 |
| Deferred tax assets (net) | 2.3 | 1,604,920 | 1,168,173 |
| Other non-current assets | 2.13 | 12,126,475 | 72,500 |
| | | 3,255,798,846 | 336,242,603 |
| Current assets | | | |
| Current investments | 2.14 | 398,159,520 | 35,568,787 |
| Inventories | 2.15 | 2,694,190,073 | 2,431,960,872 |
| Trade receivables | 2.16 | 84,103,079 | 68,054,747 |
| Cash and Bank Balances | 2.17 | 1,170,832,094 | 249,494,047 |
| Short-term loans and advances | 2.18 | 457,723,525 | 340,703,516 |
| Other current assets | 2.19 | 54,828,340 | 34,690,181 |
| | | 4,859,836,631 | 3,160,472,150 |
| TOTAL | | 8,115,635,477 | 3,496,714,753 |

See accompanying notes (1 and 2.1 to 2.35) 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
 Z. F. BILLIMORIA CUMI A. BANERJEE SHISHIR KARNIK
 Partner CEO & Company Secretary Group CFO
 Mumbai: 14th May, 2013 Mumbai: 14th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| Particulars | Note No. | For the Year ended 31st March, 2013 ₹ | For the Year ended 31st March, 2012 ₹ |
|--|----------|--|--|
| Revenue from operations | 2.20 | 1,210,344,137 | 751,433,512 |
| Other income | 2.21 | 24,369,766 | 18,462,239 |
| Total Revenue | | 1,234,713,903 | 769,895,750 |
| Cost of sales | 2.22 | 814,850,085 | 548,159,345 |
| Employee benefits expense | 2.23 | 76,562,250 | 74,333,009 |
| Finance costs | 2.24 | 223,462 | 2,649,906 |
| Depreciation and amortisation expense | | | |
| - on investment property | | 10,019 | 10,546 |
| - on fixed assets - tangible | 2.10 | 3,870,324 | 4,464,149 |
| - on fixed assets - intangible | 2.10 | 609,884 | 818,950 |
| Other expenses | 2.25 | 121,968,141 | 151,148,025 |
| Provision for diminution in value of investments | | 8,600,000 | 7,578,825 |
| Contingent provisions against standard assets | | 951,000 | 502,885 |
| 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 long-term investments | | - | 42,763,032 |
| Net loss on sale of current investments | | - | 2,877,586 |
| Total expenses | | 1,029,102,453 | 835,306,258 |
| Profit/(Loss) before exceptional items and tax | | 205,611,450 | (65,410,507) |
| Exceptional items | 2.28 | - | 80,000,000 |
| Profit before tax | | 205,611,450 | 14,589,493 |
| Tax expense: | | | |
| - Current tax | | 80,950,056 | 24,583,700 |
| - MAT credit entitlement | | (19,920,091) | (3,174,600) |
| - Deferred tax | | (534,876) | (790,138) |
| - Current tax expense relating to prior years | | - | 317,588 |
| | | 60,495,089 | 20,936,549 |
| Profit/(Loss) after taxation and before adjustment of minority interest | | 145,116,361 | (6,347,057) |
| Less: Net Profit attributable to minority interest | | 25,617,318 | 17,110,887 |
| Profit after taxation and after minority interest | | 119,499,043 | 10,763,830 |
| Less: Share of loss of associate for the year | | (13,531,014) | - |
| Profit for the year | | 105,968,029 | 10,763,830 |
| Earnings per equity share: | 2.30 | | |
| Basic | | 5.88 | 1.08 |
| Diluted | | 5.63 | 1.08 |
| Nominal Value per equity share | | 10.00 | 10.00 |

See accompanying notes (1 and 2.1 to 2.35) 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
 Z. F. BILLIMORIA CUMI A. BANERJEE SHISHIR KARNIK
 Partner CEO & Company Secretary Group CFO
 Mumbai: 14th May, 2013 Mumbai: 14th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| Particulars | For the Year ended 31st March, 2013 ₹ | For the Year ended 31st March, 2012 ₹ |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 205,611,450 | 14,589,493 |
| Adjustments for: | | |
| Depreciation on fixed assets - tangible | 3,870,324 | 4,464,149 |
| Amortisation of fixed assets - intangible | 609,884 | 818,950 |
| Depreciation on investment on immovable property | 10,019 | 10,546 |
| Interest income | (101,121,191) | (20,122,416) |
| Provision for doubtful loans no longer required | - | (80,000,000) |
| Loss on write off / sale of fixed assets | 435,441 | 5,295,176 |
| Finance costs | | |
| - Interest on income tax | 1,927 | 225,901 |
| - Interest on loans | - | 2,424,005 |
| Dividend income | (3,879,072) | (4,314,505) |
| Advances written off | - | - |
| Share of loss of associate for the year | - | - |
| Provision for diminution in value of investments no longer required | - | - |
| Provision for diminution in value of investments | 8,600,000 | 7,578,825 |
| Contingent provisions against standard assets | 951,000 | 502,885 |
| Net (profit) / loss on sale of current investments | (4,987,569) | 963,521 |
| Net (profit) / loss on sale of Non-current investments | (1,340,413) | 42,763,032 |
| Operating profit / (loss) before working capital changes | 108,761,800 | (24,800,438) |
| Changes in working capital | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories (See Note 3 below) | (224,510,639) | (926,234,569) |
| Trade receivables | (16,048,332) | (12,646,579) |
| Short-term loans and advances | (46,948,844) | (113,350,519) |
| Long-term loans and advances | 5,335,615 | 3,006,580 |
| Other current assets | (11,567,338) | (28,868,085) |
| Other non-current assets | (11,559,388) | 8,437,900 |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 73,403,542 | 165,609,209 |
| Other current liabilities | 289,789,806 | 349,819,142 |
| Short-term provisions | (936,380) | 2,356,069 |
| Other long-term liabilities | (109,451,438) | 417,044,871 |
| Long-term provisions | 2,668,897 | 770,217 |
| Other adjustments: | | |
| Bank balances not considered as cash and cash equivalents | (651,846,294) | (2,071,457) |
| Purchase of long-term investments | (262,128,800) | - |
| Purchase of current investments | (580,629,885) | (256,249,258) |
| Sale of long-term investments | 2,858,378 | 108,272,087 |
| Sale of current investments | 309,453,710 | 261,415,537 |
| Advance against investments | (2,500,000,000) | - |
| Loans granted to others | (226,000,000) | - |
| Repayment of loans from others | - | 80,000,000 |
| Interest received | - | 7,191,048 |
| Interest paid | - | - |
| Cash flow from operations | (3,849,355,591) | 39,701,754 |
| Direct taxes paid | (32,729,790) | (40,474,664) |
| Net cash used in operating activities | (3,882,085,381) | (772,910) |

| Particulars | For the Year ended 31st March, 2013 ₹ | For the Year ended 31st March, 2012 ₹ |
|--|---|---|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Bank balances not considered as cash and cash equivalents | (63,029,431) | (7,088,053) |
| Purchase of long-term investments | (32,500,000) | (42,500,000) |
| Purchase of current investments | (725,782,683) | (35,568,787) |
| Sale of current investments | 638,421,355 | 16,064,060 |
| Interest received (See Note 3 below) | 91,491,622 | 10,502,983 |
| Dividend income | 3,879,072 | 4,314,505 |
| Purchase of fixed assets | (3,719,367) | (7,938,220) |
| Proceeds from sale of fixed assets | 727,495 | 1,319,624 |
| Net cash used in investing activities | (90,511,937) | (60,893,888) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of equity share (including GDS) | 3,354,044,940 | - |
| Issue of Compulsorily Convertible Preference Shares (CCPS) | 957,918,029 | - |
| Borrowings availed | 88,825,000 | 260,014,944 |
| Repayment of borrowings | (170,437,500) | (108,339,944) |
| Finance cost (See Note 3 below) | (33,857,828) | (18,590,225) |
| Dividend paid to minority shareholders of subsidiaries | - | (50,000) |
| Dividend paid | (15,000,000) | (15,000,000) |
| Tax on dividend paid | (2,433,000) | (2,480,111) |
| Net cash generated from financing activities | 4,179,059,641 | 115,554,664 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 206,462,322 | 53,887,866 |
| D. CASH AND CASH EQUIVALENTS (See Note 2.17) | | |
| As at the commencement of the year | 123,305,109 | 69,417,243 |
| As at the end of the year | 329,767,431 | 123,305,109 |
| NET INCREASE AS DISCLOSED ABOVE | 206,462,322 | 53,887,866 |

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.
- 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 Chartered Accountants | Dr. B. SAMAL Chairman | BIPIN AGARWAL Director |
| Z. F. BILLIMORIA Partner | CUMI A. BANERJEE CEO & Company Secretary | SHISHIR KARNIK Group CFO |
| Mumbai: 14th May, 2013 | Mumbai: 14th May, 2013 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013

1.1 Principles of consolidation:

a) 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, 2013.
- (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 is recognised in the financial statements as Goodwill.
- (v) The excess of the Company's portion of equity of the subsidiaries and jointly controlled entities on the acquisition date over its cost of investment is treated as Capital Reserve.
- (vi) Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to minorities at the date on which investment in a subsidiary is made.
- (vii) Net Profit for the year of the subsidiaries attributable to minorities is identified and adjusted against the Profit After Tax of the Group.

(b) (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, 2013 | | For the year ended 31st March, 2012 | |
|--|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | Extent of holding (%) | Period of holding | Extent of holding (%) | Period of holding |
| (i) IIT Investrust Limited (IITIL) | 99 | Throughout the year | 99 | Throughout the year |
| (ii) IIT Insurance Broking and Risk Management Private Limited (IITIBRMPL) | 100 | Throughout the year | 100 | Throughout the year |
| (iii) IITL Projects Limited (IITLPL) | 71.74 | Throughout the year | 71.74 | Throughout the year |
| (iv) IIT Media and Entertainment Private Limited (IITMEPL) | 100 | Throughout the year | 100 | Throughout the year |

All the Subsidiaries mentioned above are incorporated in India.

(ii) The financial statements of the following jointly controlled entities of IITL Projects Limited, 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, 2013 | | For the year ended 31st March, 2012 | |
|--|-------------------------------------|----------------------|-------------------------------------|-------------------------|
| | Extent of holding (%) | Period of holding | Extent of holding (%) | Period of holding |
| (i) Capital Infraprojects Private Limited (CIPL) | 50 | Throughout the year | 50 | Throughout the year |
| (ii) IITL Nimbus The Hyde Park Noida | 45 | Throughout the year | 45 | Throughout the year |
| (iii) IITL Nimbus The Express Park View | 47.50 | Throughout the year, | 47.50 | w.e.f. 15th April, 2011 |
| (iv) IITL Nimbus The Palm Village | 47.50 | Throughout the year | 47.50 | w.e.f. 24th June, 2011 |

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

(iii) The following are associates, investments of which are 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, 2013 | |
|---------------------------|-------------------------------------|--------------------------|
| | Extent of holding (%) | Period of holding |
| World resorts Limited | 25 | w.e.f. 28th August, 2012 |

(iii) 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 period ended 31st March, 2013.

₹

| Particulars | 31st March, 2013 | 31st March, 2012 |
|--------------------------------|------------------|------------------|
| RESERVES AND SURPLUS | (12,972,078) | (53,631,951) |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities (net) | 18,706 | 19,874 |
| Other long term liabilities | 1,266,448,227 | 1,363,892,232 |
| Long-term provisions | 304,371 | 148,693 |
| CURRENT LIABILITIES | | |
| Trade payable | 262,118,182 | 186,639,067 |
| Short term borrowings | 330,125,000 | 297,737,500 |
| Other current liabilities | 938,795,689 | 635,443,789 |
| Short term provisions | 17,589,814 | 43,530 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

1.1 Principles of consolidation: (contd.)

| NON-CURRENT ASSETS | | |
|--|---------------|---------------|
| Fixed Assets (Net Block) | | |
| (i) Tangible assets | 2,529,402 | 2,706,608 |
| (ii) Intangible assets | 299,729 | 418,462 |
| Long term loan and Advances | 6,554,861 | 6,192,227 |
| Deferred Tax Assets (net) | 102,762 | 81,212 |
| Other non-current assets | 939,907 | 22,500 |
| CURRENT ASSETS | | |
| Current investments | 82,008,031 | 35,568,787 |
| Inventories | 2,582,090,498 | 2,287,184,425 |
| Trade receivables | 20,092,368 | 1,862,154 |
| Cash and cash equivalents | 72,902,630 | 80,182,569 |
| Short-term loans and advances | 111,655,278 | 57,517,065 |
| Other current assets | 890,285 | 675,233 |
| INCOME | | |
| Sale of flats | 786,253,856 | 391,863,132 |
| Dividend | 3,339,998 | 4,157,828 |
| Interest | 6,015,080 | 2,782,231 |
| Net profit on sale of investments | 2,547,848 | 1,914,065 |
| Other operating income | 1,705,885 | 842,974 |
| Miscellaneous Income | 219,461 | 59,879 |
| EXPENSES | | |
| Cost of sales | 684,862,344 | 366,158,056 |
| Employee benefits expense | 7,114,542 | 4,540,182 |
| Finance costs | 1,927 | 2,422,380 |
| Operating and other expenses | 69,333,093 | 77,557,862 |
| Depreciation | 786,860 | 789,353 |
| Provision for taxation | 10,266,197 | 3,766,250 |
| Profit / (Loss) transferred to capital | (16,562,892) | 2,082,224 |

(iv) Investment in associate:

The break-up of Investment in World Resort Limited (associate w.e.f. 28th August, 2012) as at 31st March, 2013 is as under:

| Particulars | 31st March, 2013 |
|---|-------------------------|
| (i) Number of equity shares (Nos.) | 13,018,125 |
| (ii) Percentage holding (%) | 25.00 |
| (iii) Cost of Investment (Equity shares) | 155,181,250 |
| (iv) Including Goodwill / (Capital Reserve) | 45,086,997 |
| (v) Share in accumulated profits net of dividend up to 31st March 2012 | - |
| (vi) Share of Loss for the year | (13,531,014) |
| Less: Dividend received during the year | - |
| Add / (Less): Other adjustment | - |
| Share Loss net of dividend received during the year / other adjustments | (13,531,014) |
| (vii) Provision for diminution in value of Investment (Equity shares) | - |
| (viii) Carrying cost | 141,650,236 |

1.2 Significant Accounting Policies:

(i) **Basis of accounting:**

"The Group adopts the accrual concept in the preparation of the accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(ii) **Revenue recognition:**

- Interest on all lending such as inter-corporate deposits, finance against securities and fixed deposits are accounted on time proportionate basis.
- Rental income is accrued on the basis of the agreement.
- Dividend is accounted when the right to receive payment is established and known.
- 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.
- Fees from real estate consultancy are accounted as per the terms of contract with the customers.
- 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.

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.

- Commission and brokerage on insurance 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.
- Brokerage income from stock broking activities is recognised on the basis of Contract Notes issued.
- Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.
- 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.

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

1.2 Significant Accounting Policies: (contd.)

- (b) As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Stock Futures are accounted for as follows:
 - 1) 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.
 - 2) 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.
- (k) Consultancy fees are recognised on the proportionate completion method based on management estimates of the stages of completion of the contracts.

(iii) 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.
- (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.

(iv) Fixed Assets:

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.

(v) Depreciation and amortisation:

- (a) Depreciation on fixed assets and investment in immovable property is provided on the written down value method, 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; and (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.

1.2 Significant Accounting Policies: (contd.)

- (b) Depreciation on improvement in lease hold premises is provided over the period of lease.
- (c) 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) IITIL where depreciation is provided proportionately; and (b) IITL-Nimbus Hyde Park, Noida and IITL-Nimbus Express Park View, joint venture partnership firms.
- (d) BSE card is amortised over a period of ten years on straight line method.
- (e) Computer software has been amortised over the period of its estimated useful life ranging from 3 to 6 years.

(vi) Investments:

Long Term Investments 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.

(vii) 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.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the Balance Sheet date. Deferred tax asset on account of carried forward losses and unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised."

Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal Income-tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

(viii) 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.

(ix) Impairment:

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

1.2 Significant Accounting Policies: (contd.)

(x) 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 Statement of Profit and Loss as incurred.

(ii) Defined Benefit Plan:

1. Gratuity

The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Parent Company and IITL Projects Limited, a subsidiary makes contribution to LIC of India based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in Statement of Profit and Loss.

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. Actuarial gains and losses are recognised in Statement of Profit and Loss.

(xi) 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.

(xii) 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.

(xiii) 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 expenses 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.

(xiv) Share issue expenses:

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

2.1 Share Capital

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Authorised | | |
| 30,000,000 (previous year 35,000,000) Equity shares of ₹ 10 each | 300,000,000 | 350,000,000 |
| 5,000,000 (previous year Nil) Preference shares of ₹ 10 each | 50,000,000 | - |
| | 350,000,000 | 350,000,000 |
| Issued, subscribed and paid-up: | | |
| 20,777,550 (previous year 10,000,000) Equity shares of ₹ 10 each fully paid-up [Included above are 4,888,755 (Previous year: Nil) Global Depository Shares "GDS" representing 9,777,550 (Previous year: Nil) equity shares] | 207,775,500 | 100,000,000 |
| 1,770,000 (previous year Nil) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each fully paid-up | 17,700,000 | - |
| Total | 225,475,500 | 100,000,000 |

(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, 2013 | | As at 31st March, 2012 | |
|---|---------------------------|--------------------|---------------------------|--------------------|
| | No. of shares | ₹ | No. of shares | ₹ |
| Opening Balance | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Add:- Issued during the year | 9,777,550 | 97,775,500 | - | - |
| Add:- Conversion of CCPS to equity shares | 1,000,000 | 10,000,000 | - | - |
| Closing balance | 20,777,550 | 207,775,500 | 10,000,000 | 100,000,000 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

During the year, the Company 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. The GDSs issue expenses aggregating to ₹ 36,089,524 on account of legal and professional fees, listing fees, depository fees etc. have been adjusted against the Securities Premium Account.

| 10% Compulsory Convertible Preference Shares | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|------------|------------------------|---|
| | No. of shares | ₹ | No. of shares | ₹ |
| Opening Balance | - | - | - | - |
| Add:- Issued during the year | 2,770,000 | 27,700,000 | - | - |
| Less:- Conversion of CCPS to equity shares | 1,000,000 | 10,000,000 | - | - |
| Closing balance | 1,770,000 | 17,700,000 | - | - |

During period, the Company has allotted 1,770,000 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 issue expenses aggregating to ₹ 1,581,971 pertaining to the same have been adjusted against the Securities Premium Account.

(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.

During the year ended 31st March 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 1.50 (previous year ₹ 1.50).

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.

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."

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. Further such CCPS shall carry dividend @10%.

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

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| N. N. Financial Services Private Limited | 5,787,960 | 27.86 | 4,987,960 | 49.88 |
| Nimbus India Limited | 1,713,427 | 8.25 | 1,513,427 | 15.13 |
| Life Insurance Corporation of India | 1,225,017 | 5.90 | 1,225,017 | 12.25 |
| The Bank of New York Mellon (for GDS holders) | 9,777,550 | 47.06 | Nil | Nil |

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

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| N. N. Financial Services Private Limited | 1,300,000 | 73.45 | Nil | Nil |
| Nimbus India Limited | 470,000 | 26.55 | Nil | Nil |

(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, 2013 | |
|--|--|-------------|
| | ₹ | ₹ |
| Total amount received from issue of CCPS, issued at the price of ₹ 350 including share premium of ₹ 340 each | - | 969,500,000 |
| Purpose for which the money received has been utilized : | | |
| a. Short Term Loans and Advances | 340,000,000 | - |
| b. Non Current Investments | 300,000,000 | - |
| c. Direct Expenses incurred towards the CCPS Issue | 1,581,971 | 641,581,971 |
| Unutilised monies as at 31 March, 2013 | - | 327,918,029 |

Balance amount of ₹ 327,918,029 is in Current Investments including Short Term liquid Mutual Funds and Fixed Deposits with Banks.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

2.2 RESERVES AND SURPLUS

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| 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 |
| General Reserve | | |
| Opening balance | 170,746,058 | 168,812,058 |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss | 6,531,990 | 1,934,000 |
| Closing balance | 177,278,048 | 170,746,058 |
| Special Reserve (as per the RBI regulations) | | |
| Opening balance | 257,959,000 | 250,225,000 |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss | 17,127,961 | 7,734,000 |
| Closing balance | 275,086,961 | 257,959,000 |

2.2 RESERVES AND SURPLUS (contd)

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Securities Premium Account | | |
| Opening balance | - | - |
| Add : Premium on issue of GDS | 3,279,831,225 | - |
| Add : Premium on issue of CCPS | 941,800,000 | - |
| Less: Utilised during the period for: | 33,561,785 | - |
| Writing off issue expenses | 1,581,971 | - |
| Closing balance | 4,186,487,469 | - |
| Surplus in Consolidated Statement of Profit and Loss | | |
| Opening balance | 356,515,294 | 372,841,076 |
| Add: Profit for the year | 105,968,029 | 10,763,830 |
| Less: "Dividend proposed to be distributed to equity shareholders (₹ 1.50 per share, previous year ₹ 1.50 per share)" | 29,703,311 | 15,000,000 |
| Less: "Dividend proposed to be distributed to CCPS shareholders (₹ 1.00 per share, previous year ₹ Nil per share)" | 1,223,726 | - |
| Less: Tax on dividend | 5,256,050 | 2,421,611 |
| Transferred to: | | |
| - General Reserve | 6,531,990 | 1,934,000 |
| - Special Reserve | 17,127,961 | 7,734,000 |
| Closing balance | 402,640,285 | 356,515,294 |
| Total | 5,042,195,513 | 785,923,102 |

2.3 Deferred taxes

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|--------------------|------------------------|------------------|
| | Assets | Liabilities | Assets | Liabilities |
| Depreciation | 306,130 | (1,756,614) | 217,303 | 1,890,182 |
| Items covered under section 43B - employee benefits | 1,298,790 | 431,764 | 950,871 | (467,202) |
| Total | 1,604,920 | (1,324,850) | 1,168,174 | 1,422,980 |

The parent company has not recognised deferred tax assets of ₹ 2,575,640 (previous year ₹ 3,710,364) on account of carry forward business losses and unabsorbed depreciation due to absence of virtual certainty.

MAT credit of ₹ 54,546,914 (previous year ₹ 62,863,401) is not recognised as an asset as the parent company has carry forward business losses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)****2.4 Other long-term liabilities**

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Trade Payable | | |
| - Premium for development rights# | 1,293,328,610 | 1,414,038,527 |
| - Retention money | 23,530,651 | 12,272,172 |
| Total | 1,316,859,261 | 1,426,310,699 |

Premium for development rights payable in half-yearly installments to various real estate development authorities, pursuant to the lease deeds. The half-yearly installments payable within next 12 months, amounting to ₹ 187,399,187 is classified as current trade payables under Note 2.7

2.5 Long-term provisions

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Provision for employee benefits - Gratuity (See Note 2.32) | 684,986 | 1,046,957 |
| Provision for employee benefits - Compensated absences | 3,030,868 | - |
| Total | 3,715,854 | 1,046,957 |

2.6 Short-term borrowings (Unsecured)

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Loans from related parties (See Note 2.31) | 127,062,500 | 65,312,500 |
| Loan from others - repayable on demand | - | 143,362,500 |
| Total | 127,062,500 | 208,675,000 |

2.7 Trade payables

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--------------------------------|-----------------------------------|-----------------------------------|
| Trade Payables | 36,772,660 | - |
| Premium for development rights | 187,399,187 | 178,182,984 |
| Payable to vendors | 31,739,499 | 26,134,474 |
| Retention money | 3,319,798 | 1,672,614 |
| Provision for expenses | 23,336,343 | 10,798,218 |
| Others | 8,602,556 | 978,211 |
| Total | 291,170,043 | 217,766,501 |

2.8 Other current liabilities

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|----------------------------------|-----------------------------------|-----------------------------------|
| Unpaid dividends * | 3,984,182 | 3,433,228 |
| Security deposits | 13,938,827 | 13,884,845 |
| Rent received in advance | 1,309,568 | 1,309,568 |
| Statutory remittances | 24,443,800 | 7,700,310 |
| Interest accrued on borrowings | 5,125,861 | 2,411,479 |
| Advances received from customers | 962,452,063 | 695,917,727 |
| Others | 6,915,769 | 1,008,725 |
| Total | 1,018,170,070 | 725,665,882 |

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

2.9 Short term provisions

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Proposed dividend | 30,927,037 | 15,000,000 |
| Tax on proposed dividend | 5,256,050 | 2,433,000 |
| Contingent Provision against Standard Assets | 1,595,000 | 644,000 |
| Provision for employee benefits - Gratuity (See Note 2.32) | 466,658 | - |
| Provision for employee benefits - Compensated absences | 1,941,854 | 3,344,892 |
| Provision for income tax (net of advance tax) | 22,138,535 | 6,711,812 |
| Provision for fringe benefit tax (net of advance tax) | - | 50,495 |
| Total | 62,325,134 | 28,184,199 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013
(Contd.)

2.10 Fixed assets

| ASSETS | GROSS BLOCK | | | | DEPRECIATION AND AMORTISATION | | | | NET BLOCK | |
|------------------------|-----------------------------|------------------|------------------|------------------------------|-------------------------------|-------------------|------------------|------------------------------|------------------------------|------------------------------|
| | As at 1st April, 2012 | Additions | Disposals | As at 31st March, 2013 | As at 1st April, 2012 | For the year | On disposals | As at 31st March, 2013 | As at 31st March, 2012 | As at 31st March, 2012 |
| TANGIBLE | | | | | | | | | | |
| Buildings | 9,100,000 | - | - | 9,100,000 | 5,485,351 | 180,732 | - | 5,666,083 | 3,433,917 | 3,614,649 |
| Furniture and fixtures | 3,484,177 | 489,202 | 365,208 | 3,608,171 | 1,589,840 | 352,894 | 144,295 | 1,798,439 | 1,809,732 | 1,894,337 |
| Vehicles | 4,165,665 | 1,875,739 | 2,159,266 | 3,882,138 | 2,180,653 | 837,958 | 1,641,548 | 1,377,063 | 2,505,075 | 1,985,012 |
| Plant and machinery | 292,191 | 19,850 | - | 312,041 | 29,530 | 38,357 | - | 67,887 | 244,154 | 262,661 |
| Office equipment | 6,305,484 | 684,472 | 99,500 | 6,890,456 | 2,801,942 | 596,561 | 29,583 | 3,368,920 | 3,521,536 | 3,503,542 |
| Computers | 11,593,034 | 440,592 | 513,875 | 11,519,751 | 6,886,908 | 1,773,288 | 159,487 | 8,500,709 | 3,019,041 | 4,706,126 |
| Sub-total | 34,940,551 | 3,509,855 | 3,137,849 | 35,312,556 | 18,974,225 | 3,779,789* | 1,974,913 | 20,779,101 | 14,533,455 | 15,966,326 |
| Previous year | 32,878,382 | 6,698,538 | 4,636,368 | 34,940,552 | 17,582,356 | 4,663,436 | 3,271,565 | 18,974,228 | | |
| INTANGIBLE | | | | | | | | | | |
| Computer software | 4,557,371 | 209,512 | - | 4,766,883 | 1,843,370 | 912,429 | - | 2,755,799 | 2,011,084 | 2,714,001 |
| Sub-total | 4,557,371 | 209,512 | - | 4,766,883 | 1,843,370 | 912,429 | - | 2,755,799 | 2,011,084 | 2,714,001 |
| Previous year | 10,738,049 | 1,319,322 | 7,500,000 | 4,557,371 | 3,274,420 | 818,950 | 2,250,000 | 1,843,370 | | |
| Total | 39,497,922 | 3,719,367 | 3,137,849 | 40,079,440 | 20,817,595 | 4,692,218 | 1,974,913 | 23,534,900 | 16,544,539 | 18,680,328 |
| Previous year | 43,616,431 | 8,017,860 | 12,136,368 | 39,497,923 | 20,856,776 | 5,482,386 | 5,521,565 | 20,817,598 | | |

* Includes ₹ 212,010 (Previous year ₹ 199,287) is transferred to construction work in progress being expenditure in relation to construction



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

2.11 Non-current investments

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Investments (fully paid-up) (valued at cost unless otherwise stated) | | |
| Investment in Preference shares of other entities (unquoted) | 325,000,000 | 42,500,000 |
| In Equity Shares of other companies (unquoted) | 141,650,236 | 11,920,399 |
| In Equity Shares of other companies (quoted) | 186,210,239 | 175,599,404 |
| Less: Provision for diminution in the value of investments | (78,363,526) | (69,763,526) |
| | 107,846,713 | 105,835,878 |
| Investment property (valued at cost less accumulated depreciation) | | |
| Immovable property (cost) | 1,069,071 | 1,069,071 |
| Less: Accumulated depreciation | (878,715) | (868,696) |
| | 190,356 | 200,375 |
| Total | 574,687,305 | 160,456,653 |
| Aggregate amount of quoted investments (net of provision) | 107,846,713 | 105,835,878 |
| [Market value ₹ 51,001,376; (previous year ₹ 56,266,577)] | | |
| Aggregate amount of unquoted investments | 466,650,236 | 54,420,399 |
| Investment property | 190,356 | 200,375 |

**2.12 Long-term loans and advances
(unsecured, considered good, unless otherwise stated)**

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Security deposits: | | |
| - With a related party(See Note 2.31) | 31,795,322 | 468,000 |
| - With others | - | 39,456,154 |
| Advance against Investment (Refer note (a) below) | 2,500,000,000 | - |
| Advances for supply of goods and services | 717,211 | 354,577 |
| Amount recoverable from gratuity fund (See Note 2.32) | 612,946 | 602,650 |
| Advance payment of income tax (net of provisions) | 21,291,292 | 20,985,021 |
| Balances with government authorities | 5,182,538 | 5,182,538 |
| Fixed deposit with IRDA | 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 | 2,562,019,596 | 67,048,940 |

(a) The Company has entered into a Share Purchase Agreement (SPA) with Pantaloon Retail (India) 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. The Company has given advance of Rs. 2,50,00,00,000/- (Rupees Two Hundred and Fifty Crores only) against the proposed investments to Pantaloon Retail (India) Limited. Pantaloon Retail (India) Limited has furnished bank guarantee in favour of the Company to secure the advance. The acquisition is subject to approval from Reserve Bank of India, Insurance Regulatory and Development Authority and Competition Commission of India.

**2.13 Other Non-current assets
(unsecured, considered good)**

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Bank deposits with more than 12 months maturities | 11,631,888 | 72,500 |
| Interest Accrued but not due | 494,587 | - |
| Total | 12,126,475 | 72,500 |

**2.14 Current investments
Investment in Mutual Funds (fully paid-up)**

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Investment in Units of Mutual Funds (unquoted) | 397,784,760 | 35,568,787 |
| Investment in Equity Instruments (fully paid-up) | | |
| - of other entities | 374,760 | - |
| Total | 398,159,520 | 35,568,787 |
| Aggregate amount of quoted investments | 374,760 | - |
| [Market value ₹ 374,760; (previous year ₹ Nil)] | | |
| Aggregate amount of unquoted investments | 397,784,760 | 35,568,787 |

2.15 Inventories

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Stock-in-trade of shares | 653,503 | - |
| Construction materials | - | 3,511,525 |
| Construction work-in-progress [See note below (a)] | 2,693,536,570 | 2,428,449,347 |
| Total | 2,694,190,073 | 2,431,960,872 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(a) Construction work-in-progress includes borrowing costs (interest expenses) capitalised during the year of ₹ 36,572,210 (Previous year : ₹ 15,959,385) and is net of investment income of ₹ 934,336 (Previous year: ₹ 1,142,241).

2.16 Trade receivables (unsecured, considered good)

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Outstanding for a period exceeding six months | 21,694,020 | 17,736,467 |
| Outstanding for a period less than six months | 62,409,059 | 50,318,280 |
| Total | 84,103,079 | 68,054,747 |

2.17 Cash and bank balances

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 415,209 | 485,518 |
| Cheques on hand | 10,882,414 | 5,227,282 |
| Balances with banks | | |
| - In current accounts | 60,960,529 | 117,566,532 |
| - In deposit accounts with original maturity upto 3 months | 257,509,279 | 25,777 |
| | 329,767,431 | 123,305,109 |
| Other bank balances: | | |
| - In deposit accounts with original maturity of more than 3 months but less than or equal to 12 months | 13,593,153 | 61,781,857 |
| - In deposit accounts with original maturity of more than 12 months* | 823,487,328 | 60,973,853 |
| - In earmarked accounts - unpaid dividend accounts | 3,984,182 | 3,433,228 |
| | 841,064,663 | 126,188,938 |
| Total | 1,170,832,094 | 249,494,047 |

*Deposits under lien are 16,013,440 22,887,900

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

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Loans to related parties (See Note 2.31) | 224,437,500 | 98,437,500 |
| Security deposits | 4,311,624 | 1,421,350 |
| Advances for supply of goods and services | 54,561,202 | 57,393,851 |
| Advance towards annual lease rent | 5,382,926 | - |
| Prepaid expenses | 2,027,152 | 1,835,010 |
| Amount recoverable from gratuity fund (See Note 2.32) | - | 66,960 |

| | | |
|---|--------------------|--------------------|
| Advance payment of income tax (net of provisions) | 19,264,918 | 31,932,902 |
| MAT credit entitlement | 8,935,640 | 3,174,600 |
| Balances with government authorities | 680,673 | 201,469 |
| Advances to others | 33,604,574 | 2,979,023 |
| Loan to others | 100,000,000 | - |
| Service tax receivable | 4,517,316 | - |
| Advance against investments | - | 143,260,851 |
| Total | 457,723,525 | 340,703,516 |

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

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|-----------------------------------|-----------------------------------|
| Unbilled revenue | 40,266,354 | 28,868,085 |
| Interest accrued on: | | |
| - bank deposits | 7,570,997 | 5,822,096 |
| - loans to others (considered doubtful) | 6,821,920 | 151,315 |
| Less: Provision for doubtful interest | - | (151,315) |
| | 6,821,920 | - |
| Others | 169,069 | - |
| Total | 54,828,340 | 34,690,181 |

2.20 Revenue from operations

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|--|---|---|
| Interest [See Note 2.20 (a)] | 83,924,354 | 8,274,157 |
| Investment income [See Note 2.20 (b)] | 20,715,232 | 8,676,445 |
| Sale of Services [See Note 2.20 (c)] | 1,088,255,332 | 717,799,758 |
| Other operating income [See Note 2.20 (d)] | 17,449,219 | 16,683,152 |
| Total | 1,210,344,137 | 751,433,512 |

2.20 (a) Interest

| | | |
|--------------------------|-------------------|------------------|
| - On deposits with banks | 58,484,210 | 5,041,536 |
| - On loans | 25,440,144 | 3,232,620 |
| Total | 83,924,354 | 8,274,157 |

2.20 (b) Investment income

| | | |
|---|-------------------|------------------|
| Dividend income - on long-term investments other than trade | 13,515,564 | 1,197,863 |
| Dividend income - on current investments | 389,248 | - |
| Net profit on sale of long-term investments | 1,340,413 | - |
| Net profit on current investment | 2,439,721 | - |
| Net profit on trading in equity stock futures | - | 3,826,182 |
| Income from stock market operations | 3,030,286 | 3,652,400 |
| Total | 20,715,232 | 8,676,445 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

2.20 (c) Sale of services

| | | |
|------------------------------|-----------------------------|---------------------------|
| Income from: | | |
| - Sale of flats | 929,498,354 | 586,878,970 |
| - Real estate consultancy | 895,000 | 2,695,000 |
| Consultancy fees | 5,000,000 | 29,000,000 |
| Brokerage: | | |
| - from insurance services | 151,105,736 | 96,253,604 |
| - on shares and mutual funds | 251,751 | 2,972,184 |
| - Brokerage on shares | 1,504,491 | - |
| Total | <u>1,088,255,332</u> | <u>717,799,758</u> |

2.20 (d) Other operating income

| | | |
|----------------------------|--------------------------|--------------------------|
| Rent on immovable property | 15,714,816 | 15,714,816 |
| Others | 1,734,403 | 968,336 |
| Total | <u>17,449,219</u> | <u>16,683,152</u> |

2.21 Other income

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|---|---|---|
| Interest: | | |
| - On deposits with banks | 12,989,446 | 7,991,915 |
| - On loans | - | 1,599,790 |
| - On income tax refund | 564,160 | 66,019 |
| - On overdue receivables | 3,643,231 | 2,190,535 |
| Dividend income on current investments | 3,879,072 | 4,314,505 |
| Net profit on sale of current investments | 2,547,848 | 1,914,065 |
| Others | 746,009 | 385,410 |
| Total | <u>24,369,766</u> | <u>18,462,239</u> |

2.22 Cost of sales

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|---|---|---|
| Construction materials and Construction work-in-progress at the beginning of the year | 2,431,960,872 | 1,458,356,482 |
| Additions during the year | 1,077,079,286 | 1,521,763,734 |
| Construction materials and Construction work-in-progress at the end of the year | (2,694,190,073) | (2,431,960,872) |
| Total | <u>814,850,085</u> | <u>548,159,345</u> |

2.23 Employee benefits expense

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|---|---|---|
| Salaries and bonus | 69,479,119 | 66,478,329 |
| Contribution to provident and other funds (See Note 2.32) | 5,684,308 | 4,226,480 |
| Gratuity (See Note 2.32) | - | 770,217 |
| Staff welfare expenses | 1,398,823 | 2,857,983 |
| Total | <u>76,562,250</u> | <u>74,333,009</u> |

2.24 Finance cost

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|--|---|---|
| Interest on loans | - | 2,424,005 |
| Interest on delayed / deferred payment of income tax | 1,927 | 225,901 |
| Others | 221,535 | - |
| Total | <u>223,462</u> | <u>2,649,906</u> |

2.25 Other expenses

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|--|---|---|
| Electricity | 2,369,532 | 2,057,765 |
| Rent (See Note 2.26) | 10,216,254 | 13,312,747 |
| Insurance | 1,955,925 | 2,413,948 |
| Repairs and maintenance: | | |
| - Buildings | 1,038,945 | 1,749,476 |
| - Others | 3,762,706 | 4,607,799 |
| | <u>4,801,651</u> | <u>6,357,275</u> |
| Rates and taxes | 910,523 | 1,519,455 |
| Travelling and conveyance | 8,681,244 | 9,251,467 |
| Printing and stationery | 1,173,430 | 1,505,004 |
| Communication expenses | 4,392,633 | 6,043,599 |
| Legal and professional fees | 5,057,236 | 4,861,542 |
| Directors' fees | 3,679,833 | 1,785,000 |
| Membership fees | 2,079,787 | 812,829 |
| Payments to auditors (See Note 2.27) | 3,979,026 | 2,677,157 |
| Charity & donation | 204,450 | - |
| Loans written off | - | 3,348,000 |
| Less: Provision held | - | (3,348,000) |
| | <u>62,265,588</u> | <u>70,248,160</u> |
| Brokerage and commission | 62,265,588 | 70,248,160 |
| Advertisement and marketing expenses | 3,153,395 | 12,816,581 |
| Training expenses | 65,000 | 631,309 |
| Donations | - | 225,000 |
| Office expenses | 278,509 | - |
| Service tax paid | 1,111,934 | 2,850,126 |
| Business promotion | 1,362,856 | 2,450,650 |
| Loss on write off / sale of fixed assets | 435,441 | 5,295,176 |
| Miscellaneous | 3,793,894 | 4,033,236 |
| Total | <u>121,968,141</u> | <u>151,148,025</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

2.26 The Group has taken office premises on operating lease. The lease terms are on the basis of the agreements entered into with the lessors. The agreements provide for increase in rent. 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 ₹ 10,216,254 (previous year: ₹ 13,312,747).

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

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|---|---|---|
| Not later than one year | 2,672,944 | 8,111,471 |
| Later than one year but not later than five years | 3,043,600 | 10,287,257 |
| Later than five years | - | - |
| Total | 5,716,544 | 18,398,728 |

2.27 Payments to auditors

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|-----------------------------------|---|---|
| As auditors - statutory audit | 1,346,693 | 1,295,625 |
| For other services | 2,234,626 | 1,113,000 |
| Reimbursement of expenses | 55,585 | 28,032 |
| Service tax | 433,759 | 267,858 |
| Sub-total | 4,070,661 | 2,704,515 |
| Less: Service tax set off claimed | 91,636 | 27,358 |
| Total | 3,979,026 | 2,677,157 |

The above excludes ₹ Nil (previous year ₹ 882,400) paid to auditors of the Parent Company for other services and included in Advances to others in Note 2.18.

2.28 Exceptional items

| Particulars | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|---|---|---|
| Provision for doubtful loans no longer required | - | 80,000,000 |
| Total | - | 80,000,000 |

2.29 Contingent liabilities not provided for in respect of

| Particulars | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|--|-----------------------------------|-----------------------------------|
| (i) Claims against a Joint Venture not acknowledged as debt | - | 177,320 |
| (ii) Guarantee | | |
| Guarantees given by Parent Company to banks on behalf of third party | 253,400,000 | 353,400,000 |
| Guarantees issued by Bank | 500,000 | - |
| (iii) Taxation | | |
| (a) Disputed income-tax matters in appeal | 15,295,527 | 15,295,527 |
| (b) Disputed wealth-tax matter in appeal | 3,250,246 | 3,250,246 |

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

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 | For the Year Ended 31st March, 2013 ₹ | For the Year Ended 31st March, 2012 ₹ |
|--|---|---|
| (a) Profit for the period | 105,968,029 | 10,763,830 |
| (b) Less: Adjustment for dividend and dividend distribution tax on CCPS | 1,431,698 | - |
| (c) Net amount available for equity shareholders | 104,536,331 | 10,763,830 |
| (d) Weighted average number of equity shares used in computing Basic Earnings per share (Nos.) | 17,793,122 | 10,000,000 |
| (e) Effect of weighted average potential equity shares on conversion of 10% CCPS (Nos.) | 790,849 | - |
| (f) Weighted average number of equity shares used in computing Diluted Earnings per share (Nos.) | 18,583,971 | 10,000,000 |
| (g) Basic earnings per share (Face value ₹ 10/-) | 5.88 | 1.08 |
| (h) Diluted earnings per share | 5.63 | 1.08 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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

Associate company: World Resort 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) | Volume of transactions: Remuneration paid to Dr. B. Samal | 2,352,000 (2,352,000) |

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

(b) Other related parties:

| Sr. No. | Nature of transactions | Joint Ventures | Companies under significant influence | Associates Company |
|---------|-------------------------------------|----------------|---------------------------------------|--------------------|
| | | (₹) | (₹) | (₹) |
| (I) | Volume of transactions: | | | |
| (i) | Loans taken | | | |
| | - Nimbus Projects Limited | - | (37,949,944) | - |
| | - Nimbus India Limited | - | 61,750,000 | - |
| | | (-) | (65,312,500) | (-) |
| (ii) | Refund on loan taken | | | |
| | - Nimbus Projects Limited | - | (37,949,944) | - |
| | - Nimbus India Limited | - | (25,000,000) | - |
| | | (-) | (25,000,000) | (-) |
| (iii) | Loans given | | | |
| | - IITL Nimbus The Express Park View | 18,375,000 | - | - |
| | | (61,687,500) | (-) | (-) |
| | - IITL Nimbus The Palm Village | 107,625,000 | - | - |
| | | (76,118,438) | (-) | (-) |

| | | | | |
|--------|---|--------------|--------------|-------------|
| (iv) | Refund of loans given | | | |
| | - IITL Nimbus The Express Park View | - | - | - |
| | | (13,125,000) | (-) | (-) |
| | - IITL Nimbus The Palm Village | - | - | - |
| | | (26,243,438) | (-) | (-) |
| (v) | Contribution towards partnership firms | | | |
| | - Nimbus Projects Limited | - | - | - |
| | | (-) | (225,625) | (-) |
| (vi) | Subscription of equity shares in a joint venture by | | | |
| | - Nimbus India Limited | - | 25,000,000 | - |
| | | (-) | (2,475,000) | (-) |
| | - Nimbus Projects Limited | - | 25,000,000 | - |
| | | (-) | (-) | (-) |
| (vii) | Interest income | | | |
| | - IITL Nimbus The Express Park View | 3,763,171 | - | - |
| | | (2,388,308) | (-) | (-) |
| | - IITL Nimbus The Palm Village | 11,818,110 | - | - |
| | | (2,444,105) | (-) | (-) |
| (viii) | Interest paid on loan | | | |
| | - Nimbus Projects Limited | - | - | - |
| | | (-) | (2,269,559) | (-) |
| | - Nimbus India Limited | - | 8,873,651 | - |
| | | (-) | (4,354,584) | (-) |
| (ix) | Investments in preference shares | | | |
| | - World Resorts Limited | - | - | 282,500,000 |
| | | (-) | (-) | (-) |
| (x) | Investments in equity shares | | | |
| | - World Resorts Limited | - | - | 141,650,236 |
| | | (-) | (-) | (-) |
| (II) | Balances at year-end | | | |
| (i) | Amount Payable at year-end | | | |
| | - Nimbus Projects Limited | - | 121,375 | - |
| | | (-) | (-) | (-) |
| | - Nimbus India Limited | - | 127,062,500 | - |
| | | (-) | (65,312,500) | (-) |
| (ii) | Amount receivable at year-end | | | |
| | - Nimbus Projects Limited (security deposit) | - | 468,000 | - |
| | | (-) | (468,000) | (-) |
| | - IITL Nimbus The Express Park View | 669,637,500 | - | - |
| | | (48,562,500) | (-) | (-) |
| | - IITL Nimbus The Palm Village | 157,500,000 | - | - |
| | | (49,875,000) | (-) | (-) |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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 2.23 for the year are as under:

| Particulars | 31st March, 2013 ₹ | 31st March, 2012 ₹ |
|---|-----------------------|-----------------------|
| Employer's contribution to Regional Provident Fund Commissioner | 2,031,409 | 1,748,425 |
| Employer's contribution to Family Pension Fund | 1,140,540 | 1,247,964 |
| Employer's contribution to Employees' State Insurance Corporation | 1,302,420 | 1,105,196 |

| (b) Gratuity Plan | Gratuity (funded) | Gratuity (unfunded) | Gratuity (funded) | Gratuity (unfunded) |
|-------------------|-----------------------|------------------------|-----------------------|------------------------|
| | 31st March, 2013 ₹ | 31st March, 2012 ₹ | 31st March, 2012 ₹ | 31st March, 2012 ₹ |

| | | | | | |
|----|--|------------------|-------------|------------------|------------------|
| i | Reconciliation of opening and closing balances of Defined Benefit Obligation | | | | |
| | Present value of Defined Benefit Obligation as at the beginning of the year | 1,110,241 | 1,046,957 | 845,845 | 276,740 |
| | Conversion to funded from unfunded | 1,046,957 | (1,046,957) | - | - |
| | Interest Cost | 160,680 | - | 67,668 | 22,139 |
| | Current Service Cost | 1,334,121 | - | 272,661 | 837,449 |
| | Benefits paid | - | - | - | - |
| | Net Actuarial (Gain)/Loss | 35,171 | - | (75,933) | (89,371) |
| | Present value of Defined Benefit Obligation as at the end of the year | 3,687,171 | - | 1,110,241 | 1,046,957 |
| ii | Reconciliation of fair value of Plan Assets | | | | |
| | Fair value of Plan Assets as at the beginning of the year | 1,838,158 | - | 1,299,935 | - |
| | Expected return on Plan Assets | 220,842 | - | 139,501 | - |
| | Net Actuarial Gain / (Loss) | - | - | - | - |
| | Employer's Contribution | 1,089,474 | - | 340,415 | - |
| | Benefits paid | - | - | - | - |
| | Fair value of Plan Assets as at the end of the year | 3,148,474 | - | 1,779,851 | - |

The Company expects to contribute Rs.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 | 5.19% | 8.82% |
| Funds maintained with Life Insurance Corporation of India | 94.81% | 91.18% |

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 | (3,687,171) | - | (1,110,241) | (1,046,957) |
| | Fair value of Plan Assets | 3,148,474 | - | 1,779,851 | - |
| | Net assets / (liabilities) recognised in the Balance Sheet | (538,696) | - | 669,610 | (1,046,957) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

2.32 Employee Benefits (Contd.)

| (b) | Gratuity Plan | Gratuity (funded) | Gratuity (unfunded) | Gratuity (funded) | Gratuity (unfunded) | |
|------|---|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| | | 31st March, 2013 | 31st March, 2012 | 31st March, 2012 | 31st March, 2012 | |
| | | ₹ | ₹ | ₹ | ₹ | |
| iv | Components of Employer's Expenses | | | | | |
| | Current Service Cost | 1,334,121 | - | 272,661 | 837,449 | |
| | Interest Cost | 160,680 | - | 67,668 | 22,139 | |
| | Expected return on Plan Assets | (220,842) | - | (139,501) | - | |
| | Net Actuarial Loss | 35,171 | - | (75,933) | (89,371) | |
| | Total expense recognised in the Profit and Loss Account in Schedule "H" under: 'Contribution to provident and other funds' | 1,309,130 | - | 124,895 | 770,217 | |
| | Actual return on Plan Assets | 220,842 | - | 139,501 | - | |
| v | Actuarial Assumptions | | | | | |
| | Mortality Table | | | LIC (1994-96) (Ultimate) | | |
| | Discount rate | 8% | N.A. | 8% | 8% | |
| | Expected rate of return on Plan Assets | 6-9% | N.A. | 8-10% | N.A. | |
| | Salary escalation | 4-6% | N.A. | 6-7% | 4-7% | |
| 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, 2013 | 31st March, 2012 | 31st March, 2011 | 31st March, 2010 | 31st March, 2009 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ |
| | 1. Present Value of Defined Benefit Obligation | 3,687,171 | 2,157,198 | 112,585 | 653,554 | 301,389 |
| | 2. Fair Value of Plan Assets | 3,148,474 | 1,779,851 | 1,299,935 | 840,794 | 564,964 |
| | 3. Funded Status [Surplus] | (538,696) | (377,347) | 177,350 | 187,240 | 263,575 |
| | 4. Net Asset | (538,696) | (377,347) | 177,350 | 187,240 | 263,575 |
| | 5. Experience adjustment arising on: | | | | | |
| | a. Plan Liabilities (Gain)/Loss | 886,547 | (43,355) | (55,540) | 46,798 | 58,345 |
| | b. Plan Assets (Gain)/Loss | 16,631 | 35,506 | 9,804 | 5,639 | 3,060 |
| viii | The above information is as certified by the actuary and relied upon by the auditors. | | | | | |

Note 1: The unfunded figures above pertain to joint ventures of a subsidiary namely Capital Infraprojects Private Limited, IITL Nimbus The Hype Park Noida, IITL Nimbus The Express Park View and IITL Nimbus The Palm Village.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013

(Contd.)

2.33 Segment information:

Primary segments - Business segments

(₹)

| | 2012-13 | | | | | | 2011-2012 | | | | | | | |
|--|------------------------------------|-------------------|------------------------|-------------------------------|----------------------|--------------|---------------|------------------------------------|-------------------|------------------------|-------------------------------|----------------------|--------------|---------------|
| | Investment activities (Note below) | Insurance Broking | Real Estate activities | Investment Brokerage Services | Consultancy Services | Eliminations | Total | Investment activities (Note below) | Insurance Broking | Real Estate activities | Investment Brokerage Services | Consultancy Services | Eliminations | Total |
| A. REVENUE | | | | | | | | | | | | | | |
| 1. External Revenue | 120,826,921 | 151,125,766 | 932,322,909 | 1,756,242 | 5,000,000 | - | 1,211,031,838 | 32,437,720 | 96,253,604 | 590,770,003 | 2,972,184 | 29,000,000 | - | 751,433,511 |
| 2. Inter-segment revenue | 27,173,281 | - | - | - | - | 27,173,281 | - | 16,605,166 | - | - | - | - | 16,605,166 | - |
| 3a. Interest income (unallocated) | | | | | | | 17,196,838 | | | | | | | 11,846,259 |
| 3b. Unallocated income - others | | | | | | | 6,485,227 | | | | | | | 6,613,980 |
| 3c. Total 3a+3b | | | | | | | 23,682,065 | | | | | | | 18,462,239 |
| Total revenue | | | | | | | 1,234,713,903 | | | | | | | 769,895,750 |
| B. RESULTS | | | | | | | | | | | | | | |
| 1. Segment result | 79,191,386 | 79,117,062 | 22,892,018 | (1,090,715) | 2,153,044 | - | 182,262,794 | (47,312,672) | 20,384,452 | (66,545,791) | (12,343,815) | 25,078,300 | - | (80,739,526) |
| 2. Unallocated expenses | | | | | | | 91,850 | | | | | | | 483,314 |
| 3. Interest expense | | | | | | | 241,563 | | | | | | | 2,649,906 |
| 4. Exceptional item | | | | | | | - | | | | | | | 80,000,000 |
| 5. Income (referred in A.3c above) | | | | | | | 23,682,065 | | | | | | | 18,462,239 |
| 6. Profit before tax | | | | | | | 205,611,446 | | | | | | | 14,589,493 |
| 7. Provision for taxation | | | | | | | (60,495,088) | | | | | | | (20,936,550) |
| Profit/(Loss) after tax (before adjusting minority interest) | | | | | | | 145,116,358 | | | | | | | (6,347,057) |
| C. OTHER INFORMATION | | | | | | | | | | | | | | |
| 1. Segment assets | 4,451,568,672 | 53,691,636 | 2,960,981,526 | 36,597,996 | 5,056,200 | - | 7,507,896,030 | 529,939,292 | 28,423,312 | 2,606,810,716 | 53,908,253 | 12,753,333 | - | 3,231,834,906 |
| 2. Goodwill on consolidation | | | | | | | 88,816,011 | | | | | | | 88,816,011 |
| 3. Investments | | | | | | | 82,008,031 | | | | | | | 35,568,787 |
| 4. Deferred tax asset | | | | | | | 1,604,920 | | | | | | | 1,168,174 |
| 5. Advance payment of income-tax (net of provisions) | | | | | | | 40,556,210 | | | | | | | 56,092,523 |
| 6. Miscellaneous expenditure (to the extent not written off) | | | | | | | - | | | | | | | - |
| 7. Other unallocated assets | | | | | | | 394,754,281 | | | | | | | 83,234,352 |
| 8. Total assets | | | | | | | 8,115,635,483 | | | | | | | 3,496,714,753 |
| 9. Segment liabilities | 60,826,617 | 12,317,609 | 2,723,274,279 | 728,973 | - | - | 2,797,147,478 | 21,485,311 | 4,288,963 | 2,557,014,463 | 4,39,495 | 217,271 | - | 2,583,445,503 |
| 10. Share capital and reserves | | | | | | | 5,267,671,015 | | | | | | | 885,923,102 |
| 11. Minority interest | | | | | | | 27,336,751 | | | | | | | 1,719,433 |
| 12. Deferred tax liability | | | | | | | 1,324,850 | | | | | | | 1,422,980 |
| 13. Provision for income-tax/ fringe benefit tax (net of advance) | | | | | | | 22,138,535 | | | | | | | 6,762,307 |
| 14. Other unallocated liabilities | | | | | | | 16,854 | | | | | | | 17,441,428 |
| 15. Total liabilities | | | | | | | 8,115,635,483 | | | | | | | 3,496,714,753 |
| 16. Cost incurred during the period to acquire Segment assets | 1,198,936 | 1,767,301 | 744,625 | 4,253 | 4,253 | - | 3,719,367 | 2,794,890 | 1,828,982 | 2,770,105 | 566,817 | 57,066 | - | 8,017,860 |
| 17. Depreciation | 1,295,882 | 1,727,498 | 1,130,860 | 273,999 | 273,999 | - | 4,702,238 | 1,159,498 | 2,606,438 | 954,253 | 526,916 | 46,543 | - | 5,293,648 |
| 18. Material Non-cash expenditure other than depreciation - Provision for diminution in value of Investments | 8,600,000 | - | - | - | - | - | 8,600,000 | 7,578,825 | - | - | - | - | - | 7,578,825 |

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

Note: Segment revenue includes interest/dividend on investments and segment assets as the operations of the segment are primarily of a financial nature.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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

(₹)

| | 2012-2013 | | | | 2011-2012 | | | |
|---|-----------------------|------------------------|---|---|-----------------------|------------------------|---|---|
| | IITL Projects Limited | IIT Investrust Limited | IIT Insurance Broking and Risk Management Private Limited | IIT Media and Entertainment Private Limited | IITL Projects Limited | IIT Investrust 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 | 50,079,000 | 125,000,000 | 25,000,000 | 1,500,000 |
| 2. Reserves | 255,786,607 | 50,258,627 | 45,795,043 | (1,334,920) | (3,391,067) | 46,943,305 | 33,829,295 | (1,243,074) |
| 3. Total Assets | 607,055,233 | 177,855,873 | 133,015,087 | 181,934 | 78,949,132 | 190,299,135 | 80,818,802 | 265,353 |
| 4. Total Liabilities | 231,189,625 | 2,597,247 | 62,220,044 | 16,854 | 232,261,199 | 18,355,830 | 21,989,507 | 8,427 |
| 5. Details of Investments | | | | | | | | |
| - Equity shares in Joint Venture | 55,000,000 | - | - | - | 5,000,000 | - | - | - |
| - Share in partnership Firm | 22,637,840 | - | - | - | 39,200,732 | - | - | - |
| 6. Turnover | 114,504,966 | 14,611,764 | 154,621,145 | - | 204,903,197 | 40,625,613 | 98,183,146 | - |
| 7. Profit before tax | (20,925,277) | 5,121,909 | 82,612,441 | (91,844) | (12,859,851) | 15,866,656 | 22,235,078 | (1,043,738) |
| 8. Provision for taxation | 102,951 | (1,806,587) | (27,063,255) | - | 82,079 | (167,676) | (7,235,620) | - |
| 9. Profit after tax | (20,822,326) | 3,315,322 | 55,549,186 | (91,844) | (12,777,772) | 15,698,980 | 14,999,458 | (1,043,738) |
| 10. Proposed dividend | - | - | 43,583,438 | - | - | - | - | - |
| 11. Interim dividend paid (including tax thereon) | - | - | - | - | - | 5,849,750 | - | - |

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

Signatures to Notes 1 and 2.1 to 2.35

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary Group CFO

SHISHIR KARNIK
CFO

Mumbai: 14th May, 2013

Mumbai: 14th May, 2013



Dear Shareholder

Industrial Investment Trust Limited

Sub : Green Initiative in Corporate Governance – Service of documents by electronic mode

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliance by Companies. In accordance with the recent Circular no. 17/2011 dated 21-04.2011 and Circular no. 18/2011 dated 29.04.2011 issued by the MCA, Companies can now send various notices and documents, including the Annual Report, to the shareholders through electronic mode to the registered e-mail addresses of shareholders.

Your Company appreciates this initiative and would like to enable conservation of paper thereby contributing to a Greener Environment. This initiative presents the shareholders of **Industrial Investment Trust Limited** with a unique opportunity to contribute towards Corporate Social Responsibility of the Company.

If you hold shares in demat form, we invite you to contribute to the cause by updating your email id details with your depository participant. In case you hold shares in physical form please complete the form given below and send it back to us.

Please note that as a member of the Company you are entitled to receive all such communication in physical form, upon request.

Best regards

Cumi Banerjee
CEO & Company Secretary

E-COMMUNICATION REGISTRATION FROM

(In terms of Circulars No. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

To,

Link Intime India Pvt. Ltd
Unit : **Industrial Investment Trust Limited**
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai 400 078

Dear Sir / Madam

Re : **Green Initiative in Corporate Governance – Service of document by electronic mode**

I/We agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through email.

| | | |
|-----------------------------|---|-------|
| Folio No. | : | _____ |
| DP Id | : | _____ |
| Client Id | : | _____ |
| Name of the First Holder | : | _____ |
| Name of Joint Holder | : | _____ |
| Email Id (to be registered) | : | _____ |

I/We will keep the Company informed as and when there is any change in the e-mail address.

Date : _____ Signature of the first holder : _____

Important Notes :

1. Please fill in capital letters in legible handwriting.
2. Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address. Unless the e-mail ID is changed by you by sending another communication in writing, the Company will continue to send all notices / documents to you at the above mentioned e-mail ID.



IITL GROUP

INDUSTRIAL INVESTMENT TRUST LIMITED

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

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending :

Full Name of Proxy :

(To be filled in Proxy Forms has been duly deposited with the Company)

I hereby record my presence at the 80th ANNUAL GENERAL MEETING of the Company at M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Saturday, September 07, 2013 at 3.30 p.m.

Full Name of the sole / first holder

DP ID

Client Id / Folio No.:

Member's / Proxy's Signature

No. of Shares held :

(To be signed at the time of handing over this slip)

NOTE : The Copy of the Annual Report may please be brought to the meeting.



IITL GROUP

INDUSTRIAL INVESTMENT TRUST LIMITED

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

FORM OF PROXY

No of Shares

DP Id :

Client Id / Folio No. :

I/We.....

of..... in the district of

being a member of INDUSTRIAL INVESTMENT TRUST LIMITED, hereby appoint

members..... of in the district of

or failing him / her

of in the district of

or failing him / her of

in the district as my Proxy to attend and vote for me on my behalf at the 80th ANNUAL GENERAL MEETING of the Company to be held on Saturday, September 07, 2013 at 3.30 pm and at any adjournment thereof.

Signed this Day of2013.

Place :

AFFIX
Re. 1/-
REVENUE
STAMP

Signature

NOTE : The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

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