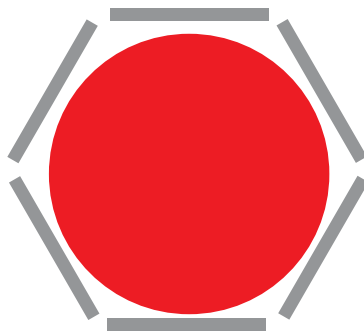


INDUSTRIAL INVESTMENT TRUST LIMITED

77th
Annual Report
2009-2010



IITL GROUP

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INDUSTRIAL INVESTMENT TRUST LIMITED

BOARD OF DIRECTORS : Dr. B. Samal - *Executive Chairman*
Mr. Bipin Agarwal
Mr. T. M. Nagarajan
Mr. R. K. Mittal
Mr. R. S. Loona
Mr. Venkatesan Narayanan
Mr. P. K. Rath - *Nominee of LIC of India*

Ms. Cumi Banerjee - *CEO & Company Secretary*

BANKERS : Axis Bank Limited
ICICI Bank Limited
Union Bank of India
IndusInd Bank Ltd.
Bank of Baroda

AUDITORS : Deloitte Haskins & Sells

**REGISTRAR & SHARE
TRANSFER AGENTS** : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound LB.S. Marg,
Bhandup (W) Mumbai 400 078

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

**NOTICE**

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

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

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

SPECIAL BUSINESS**6. Increase in Authorised Share Capital**

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

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

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

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

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

7. Alteration of Articles of Association of the Company

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

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

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

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

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

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

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



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

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

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

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

RESOLVED FURTHER THAT: -

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

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

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

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



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

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

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

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

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

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

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : July 20, 2010

Registered Office :
14E, Rajabhadur Mansion, 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 relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 8, 2010 to Friday, September 17, 2010 (both days inclusive).
4. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 16, 2010 to those shareholders or their mandates whose names stand on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before September 7, 2010 and in respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose as on the close of business hours on September 7, 2010.
5. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) subject to availability of bank account details and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

Members holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits MICR code number.
6. Members are requested to send all correspondences relating to shares including requests for transfer, change of address, change of status, change of mandate, Bank Account details to our Registrar and Share Transfer Agents: M/s. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel. No.: 2596 3838. In respect of shares held in dematerialised mode, the shareholders should inform their concerned Depository Participant only.
7. In all the correspondences with the Company / Registrar and Share Transfer Agents, the members holding in physical form are requested to quote their account / folio numbers and in case their shares are held in the dematerialised form, they must quote their Client ID Number and DP ID Number.
8. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
9. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
10. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to the Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur-400 614.
11. In terms of section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company has therefore, transferred unclaimed dividend on August 28, 2009 for the year ended March 31, 2002 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 2002-2003 or thereafter are requested to write to the Company / Registrars and Share Transfer agents. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
12. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.



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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : July 20, 2010

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

**DIRECTORS' REPORT**

Your Directors are pleased to present the Seventy Seventh Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2010.

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

OPERATING RESULTS

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

DIVIDEND

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

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

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

INVESTMENTS

Your Company is an investment company, with a long term view of its portfolio. Besides making investments in quoted and unquoted securities, the Company makes investments in fixed deposits with renowned banks, units of mutual funds and inter-corporate deposits.

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

The details of the Company's investments, including a portfolio summary and analysis of securities held are given in Schedule "D" to the Balance Sheet as on March 31, 2010.

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

SUBSIDIARY COMPANIES**IIT Investrust Limited (IITIL)**

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

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

Indo Green Projects Limited (IGPL)

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



IGPL has formed an Special Purpose Company (SPC) under the name of 'IITL-Nimbus The Hyde Park Noida' with NCJ International Limited and Supertech Limited in order to build residential flats on piece of land admeasuring 60,348.53 sq. mtrs. at Sector 78, Noida allotted to them.

IIT Insurance Broking and Risk Management Private Limited (IIBRMPL)

During the year, Insurance Regulatory and Development Authority granted License to the Company as Direct Insurance Broker for conducting life insurance and non-life insurance business. IIBRMPL has been allotted License Code No.DB-430/09 under Certificate No. 398, which is valid for a period of three years and is renewable thereafter.

Industrial Investment Trust Limited (the holding Company) has made further investment of Rs.200 lakhs in equity share capital of IIBRMPL.

IIBRMPL has opened offices at Mumbai, Delhi, Chennai, Trichy, Coimbatore, Bangalore, Trissur, Jaipur, Rewari, Vadodara, Lucknow and Kolkata and has made tie-ups with all the leading life and non-life insurers for providing best of products and services to its clients as a one stop shop.

IIT Media and Entertainment Private Limited (IMEPL)

During the year, the Company incorporated a wholly owned subsidiary in the name IIT Media and Entertainment Private Limited (IMEPL) for conducting the business of Media and Entertainment.

Industrial Investment Trust Limited (the holding Company) has made an investment of Rs.15 lakhs in equity share capital of IMEPL towards initial subscription. The Company is in the process of commencing business.

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. The Ministry of Corporate Affairs, Government of India (GOI) has granted exemption to your Company for not attaching the above documents of the subsidiary companies with the Annual Report of the Company for the financial year 2009-10. Accordingly, this Annual Report does not contain the reports and other statements of the subsidiary companies. 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 Exchange, the audited consolidated financial statements of the Company and its subsidiaries are attached.

LOGO OF THE COMPANY

During the year under review, the Company has made an application to the Trade Marks Registry for registration of the Company's logo bearing the acronym 'IITL'.

FIXED DEPOSITS

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

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 205C of the Companies Act, 1956, a sum of Rs.5,14,116/- lying with the Company as unclaimed dividend for the year 2001 – 2002 i.e. for a period of seven years from the date they became due for payment were transferred during the period under review to the Investor Education and Protection Fund.

DIRECTORS

Appointment

The Board has appointed Mr. P.K. Rath as a Director to fill the vacancy created by the resignation of Mrs. Thankom Mathew with effect from October 12, 2009.

In accordance with the provisions of the Companies Act, 1956, Dr. B. Samal and Mr. T.M. Nagarajan, 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

Mrs. Thankom Mathew and Mr. Swaran Singh resigned as Directors from the Board with effect from September 8, 2009 and October 12, 2009 respectively. The Board places on record, its appreciation for the valuable contributions made by them during their tenure as Directors of the Company.

AUDITORS' REPORT

The observations made by the Auditors in their report are appropriately dealt with in the Notes forming part of the accounts for the year, which are self-explanatory and, hence, do not require any further explanations.

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 77th Annual General Meeting until the conclusion of the 78th 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 Exchange 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, 2010;

- (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 and there was no expenditure in foreign exchange.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors,

Dr. B. Samal
Executive Chairman

Mumbai
Date: July 20, 2010



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC SCENARIO:

After a sharp global downturn, the global economic scenario improved to a large extent. United Nations expects the world economy to bounce back with a mild 2.4 per cent growth in 2010. The rebound is due to concerted policy actions taken by the major economies, which effectively arrested a further erosion of confidence worldwide. Ample liquidity was infused by Banks and massive rescue packages were launched by governments all over the world. Despite the drag from the global financial crisis, the global financial markets were quite stable for most of the part of 2009 barring intermittent volatility. Towards the end of 2009 and the beginning of 2010, the sovereign risk concerns, however, dominated the financial markets. Two major events i.e., the Dubai World debt standstill and the debt problem of the East European countries, mainly Greece, posed another bout of risk to the financial system which led to greater volatility in the international markets

THE INDIAN ECONOMY:

The Indian Economy has been able to recover faster than its global counter parts. During the first quarter of the fiscal year 2009-10, the economy witnessed growth of 6.1 per cent which appeared to be quite reasonable considering that practically all advanced economies and most developing countries were at that time still mired in recession and were posting negative growth rates. The economy started showing signs of recovery due to combined and timely efforts of RBI and Government in the second quarter of the fiscal. Despite the deficient monsoon, the GDP growth has been estimated to be 7.5 per cent for the year 2009-10. The strong rebound in Industrial output with 10.4 per cent growth rate and resilience shown by service sector with 8.3 per cent growth rate, have contributed considerably to recovery in GDP growth. Inflationary conditions during 2009-10 were marked by two distinct phases. During the first half of 2009-10, inflation remained significantly low. During the second half of the year there was sharp increase in inflation which almost reached to 9.9 per cent in March 2010 on account of increasing food prices caused by the deficient South-West monsoon and increase in international oil prices. The high inflation has been causing concern for the economy

INDIAN CAPITAL MARKETS:

The Indian equity markets, which had declined during 2008, began the year 2009 on a subdued note. The market exhibited signs of recovery from April 2009 and the movement in equity indices in the Indian capital market was in line with trends in major international equity markets. In 2009 resource mobilization from the primary market through equity investments was sluggish, both in terms of number of issues and amount raised through public / rights issues and follow-on public offerings. However, there was an increase in debt market activity and private placements. The secondary market, which had recorded a sharp decline due to global financial crisis during the later half of 2008, made recovery in 2009 following stimulus measures implemented by the Government and renewed

interest by foreign investors. FIIs made net purchases of US\$ 23.7 billion in the Indian equity market during 2009-10. While a turn around has been noticed in the performance of mutual fund industry that had remained subdued during the year 2008. During the F.Y. 2008-09, the markets also witnessed some important regulatory changes and these ensured that the overall investors confidence was sustained in the market. Furthermore, election results announced in May 2009 removed uncertainty on economic policies and as such boosted Indian equity markets and both benchmark and sectoral indices rallied leading to gains in equity prices and an uptrend in equity market indices with some occasional corrections during the last two quarters caused by Dubai World default and the Greek sovereign debt concerns. As at end-March 2010, the Sensex and the Nifty both registered gains of 81 per cent and 74 per cent, respectively, over end-March 2009. The gains in stock prices were associated with substantial increase in the activity in the derivative segment surpassing the pre-global crisis level

BUSINESS PERFORMANCE:

The activities of the Company comprise of investment in equity shares, quoted as well as unquoted, units of mutual funds, fixed deposits with renowned banks and inter-corporate deposits. The Board of Directors is constantly monitoring the investments of the Company and deploying the resources judiciously. The investment activity during the year 2009-10 has been impacted due to global economic meltdown and dividend income of the Company during the year has come down to Rs. 22.64 lakhs as compared to Rs. 67.29 lakhs in the previous year.

The Company has planned to promote and strengthen the business of the subsidiary companies. It has made further investment of Rs. 200 lakhs in equity share capital of IIT Insurance Broking and Risk Management Private Limited and Rs. 15 lakhs towards the initial subscription in equity share capital of IIT Media and Entertainment Private Limited. The Company has also extended loan of Rs. 800 lakhs to Indo Green Projects Limited and committed to participate in its forthcoming Rights Issue of Rs. 1497.27 lakhs for financing its real estate projects.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The Company's performance is closely linked to the capital markets and risks associated with market operations. The value of the investments may be affected by factors which will be having a bearing on the functioning of the capital markets like price, volume volatility, interest rates, foreign investments and other parameters. However the key concern is the surging inflation and the timing of the exit of easy monetary policy by RBI. With rising inflation and growing inflationary pressures, RBI is likely to follow a policy of tightening of base rate during the year which will have some consequences in the markets. The Company however is doing a SWOT analysis for a sustainable growth by exploring various opportunities and avenues.

FINANCIAL PERFORMANCE:

The Company recorded a profit after tax of Rs.1377.75 lakhs during the year compared to profit of Rs. 513.18 lakhs during the previous year. This is mainly on account of reversal of provisions



made in the previous years (i) for doubtful loans and interest accrued thereon of the subsidiary company amounting to Rs.543.18 lakhs; (ii) for diminution in the value of investments in the equity of the subsidiary company amounting to Rs.587.05 lakhs; and (iii) for diminution in the value of Company's quoted investments amounting to Rs.227.15 lakhs.

INTERNAL CONTROL SYSTEM:

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 authorised, 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.

OUTLOOK:

The acute phase of financial crisis has apparently passed by and the global economic recovery is under way. Financial markets are attaining stability.

In its world economic outlook update for January 2010, the International Monetary Fund (IMF) projected that the global growth will recover from (-) 0.8 per cent in 2009 to 3.9 per cent in 2010 and further to 4.3 per cent in 2011. Globally the financial markets are expected to be volatile considering the various developments

across the world. The major concern is the weakness of the currency of the Euro nation due to mounting debt burden. Although the salvation point was that rescue packages and bail outs were made for Greece to prevent the prices spreading to rest of the world.

The outlook for the Indian economy for the year 2010-11 appears quite robust. The country is returning to high growth path compared to last year. Assuming a normal monsoon, the Indian economy is expected to pose a higher growth with an estimated GDP of 8.5 per cent. Inflation management continues to be a challenge. Government and RBI are taking steps to mitigate the situation and also ensure that growth remains unaffected. It is expected that the year 2010-11 would be a promising year for the capital markets. However, inflation would remain the major concern for the country.

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
Executive Chairman

Mumbai
Date: July 20, 2010

**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	12	5	4
2	Mr. Bipin Agarwal	NI / NE Promoter	7	1	Nil
3	Mr. T.M. Nagarajan	NI / NE	5	2	1
4	Mr. R.K. Mittal	I / NE	4	3	3
5	Mr. R.S. Loona	I / NE	2	2	1
6	Mr. Venkatesan Narayanan (appointed w.e.f. 18.05.2009)	I / NE	1	1	Nil
7	Mr. P.K. Rath (appointed w.e.f. 12.10.2009)	I / NE Representative of LIC of India	Nil	Nil	Nil
8.	Mr. Swaran Singh (resigned w.e.f. 12.10.2009)	NI / NE Promoter	3	1	Nil
9.	Mrs. Thankom Mathew (resigned w.e.f. 08.09.2009)	I / NE Representative of LIC of India	Nil	Nil	Nil

NI - Non Independent Director
I - Independent Director
NE - Non-Executive Director
E - Executive Director

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

Excludes committees other than Audit Committee, Shareholder / Investor Grievance Committee of Public Limited Companies

^ Chairmanship does not include Committee memberships

Board Meetings and Annual General Meeting

The regular 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 2009-2010, six Board Meetings were held i.e., on April 17, 2009, May 18, 2009, June 27, 2009, July 22, 2009, October 12, 2009 and January 16, 2010 in Mumbai.

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	6	Yes
Mr. Bipin Agarwal	6	Yes
Mr. T. M. Nagarajan	6	Yes
Mr. R.K. Mittal	6	No
Mr. R.S. Loona	6	Yes
Mrs. Thankom Mathew ¹	3	No
Mr. Swaran Singh ²	4	Yes
Mr. Venkatesan Narayanan ³	5	Yes
Mr. P. K. Rath ⁴	2	N.A.

¹ Resigned as Director with effect from September 8, 2009

² Resigned as Director with effect from October 12, 2009

³ Appointed with effect from May 18, 2009 as Additional Director

⁴ Appointed with effect from October 12, 2009 as a Director to fill the vacancy created by the resignation of Mrs. Thankom Mathew

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 October 12, 2009.

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, five meetings of the Audit Committee were held, the dates being May 18, 2009, June 27, 2009, July 22, 2009, October 12, 2009 and January 16, 2010.

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. R.K. Mittal ¹	Chairman	5
Mr. T.M. Nagarajan ²	Member	5
Mr. Bipin Agarwal ³	Member	1
Mrs. Thankom Mathew ⁴	Member	3
Mr. R.S. Loona ⁵	Member	4
Mr. P.K. Rath ⁶	Member	2



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

- ¹ Appointed as Chairman w.e.f. May 18, 2009
- ² Ceased to be the Chairman w.e.f. May 18, 2009
- ³ Ceased to be member of Audit Committee from the conclusion of the Board Meeting held on May 18, 2009
- ⁴ Ceased to be member of Audit Committee with effect from September 8, 2009
- ⁵ Appointed as a member of Audit Committee in the Board Meeting held on May 18, 2009
- ⁶ Appointed as a member of Audit Committee in the Board Meeting held on October 12, 2009

b) Remuneration Committee (Non-Mandatory):

Company constituted a Remuneration Committee 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 October 12, 2009.

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 Managing or Whole-Time Directors.

During the year under review, one meeting of the Remuneration Committee was held on April 17, 2009.

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

Remuneration Committee Members	Status	No. of Remuneration Committee Meetings Attended
Mr. P. K. Rath ¹	Chairman	N.A.
Mr. T. M. Nagarajan	Member	1
Mr. R. K. Mittal	Member	1
Mr. R. S. Loona ²	Member	1
Mrs. Thankom Mathew ³	Chairperson / Member	Nil

¹ Appointed as Chairman w.e.f. 12.10.2009

² Appointed w.e.f. 17.04.2009

³ Appointed as Chairperson w.e.f. 17.04.2009 and ceased to be the member w.e.f. 08.09.2009

Details of remuneration to the Executive Chairman for the year 2009-2010 are given below:

Name	Salary	Perquisites	Contribution to P.F and other funds including Gratuity settlement	Total
	Rs.	Rs.	Rs.	Rs.
Dr. B. Samal	21,00,000	--	2,52,000	23,52,000

The Board in its meeting held on April 17, 2009 accorded its consent for the re-designation of Dr. B. Samal as Executive Chairman for a period of 3 years with effect from April 1, 2009.

Details of remuneration to Non-Executive Directors for the year 2009-2010 are given below:

Sitting Fees

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Mr. Bipin Agarwal	60,000	15,000	75,000
Mr. T.M. Nagarajan	60,000	40,000	1,00,000
Mr. R.K. Mittal	60,000	50,000	1,10,000
Mr. R.S. Loona	60,000	45,000	1,05,000
Mr. Swaran Singh	40,000	5,000	45,000
Mrs. Thankom Mathew	30,000	15,000	45,000
Mr. Venkatesan Narayanan	50,000	NIL	50,000
Mr. P.K. Rath	20,000	10,000	30,000
Total	3,80,000	1,80,000	5,60,000

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

This Committee:

- (1) approves and monitors transfers, transmissions, splitting and consolidation of shares and the issue of duplicate 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. The committee as on March 31, 2010 consists of 5 members, namely:

Mr. R.K. Mittal	-	Non Executive Director - Chairman
Dr. B. Samal	-	Member
Mr. T.M. Nagarajan	-	Member
Mr. R.S. Loona	-	Member
Mr. P.K. Rath	-	Member (appointed w.e.f.12.10.2009)
Mrs. Thankom Mathew	-	Member (ceased w.e.f. 08.09.2009)

To expedite share transfer process, the Board has authorised the 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, 4 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 receive : 5
- No. of complaints not resolved to the satisfaction of the shareholders : Nil
- Pending complaints as on 31.3.2010 : Nil



The company attends to investor & shareholders grievances within 10 days from the date of receipt of the same.

d) Risk Management Committee (RMC)

The Board of Directors had constituted Risk Management Committee on June 2, 2006. It was last reconstituted on January 16, 2010. The Committee as on March 31, 2010 consists of 3 members, namely:

Dr. B. Samal	-	Chairman
Mr. Bipin Agarwal	-	Member
Mr. T.M. Nagarajan	-	Member
Mr. Swaran Singh	-	Member (ceased w.e.f. 12.10.2009)

The objective of this Committee is to identify the risk 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.

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 inducted as Director on the Board of the material non-listed Indian subsidiaries.

Mr. R.K. Mittal w.e.f. June 27, 2009 has been inducted as Director of IIT Investrust Limited. Mr. R.S. Loona has been inducted as Director of IIT Insurance Broking and Risk Management Private Limited (non-material).

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by its 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

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

Disclosure of Accounting Treatment

Disclosure of Accounting Treatment wherever applicable have been made in the audited financial accounts for the year ended March 31, 2010.

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 the 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 Certification

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

This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 29, 2010.

6. GENERAL BODY MEETINGS

a) Location and time where last three AGMs were held :

Sr. No.	Date	Location	Time	Special Resolution passed
1	August 28, 2009	M. C. Ghia Hall, 18/20, K. Dubash Marg Mumbai - 400 001	3.00 p.m.	-
2	September 27, 2008	M. C. Ghia Hall, 18/20, K. Dubash Marg Mumbai - 400 001	3.00 p.m.	Approval for payment of remuneration/ commission to Non-Executive Directors of the Company
3	September 27, 2007	M. C. Ghia Hall, 18/20, K. Dubash Marg Mumbai - 400 001	2.30 p.m.	Approval for keeping statutory records at a place other than the Registered Office of the Company

During the year under review, the Company has not passed any resolution which was to be decided by postal ballot.

7. OTHER DISCLOSURES:

a) 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 5 of Schedule J to the accounts in the Annual Report.



- b) No penalties or strictures have been imposed on the Company by SEBI, Stock Exchange or any other statutory authority, for non-compliance of any laws, on any matter related to the capital markets, during the last three years.

8. MEANS OF COMMUNICATIONS

- a) Quarterly and Annual financial results of the company are forwarded to the Bombay Stock Exchange Limited and published in Free Press Journal and Navshakti. Half yearly report is not sent to each household of shareholders. However, the results of the company are published in the Newspapers.
- b) The quarterly/half yearly financial results were electronically filed on EDIFAR website www.sebidifar.nic.in within the time frame prescribed in this regard. However, due to discontinuation of EDIFAR system from April 1, 2010, the same is appearing in website www.corpfiling.co.in, the Corporate Filing and Dissemination System (CFDS) Portal jointly owned managed and maintained by BSE and NSE which is a single source to view information filed by listed companies with the stock exchange.
- c) The Company has not made any presentation to any institutional investors or to any analysts during the year.
- d) All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.
- e) 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.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date & Time : Friday, September 17, 2010 at 3:30 p.m.
Venue : M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai - 400 001

b) Financial Calendar : 2010-2011

Adoption of Quarterly Results for

Quarter ending	In the month of
June 2010	: July / August 2010
September 2010	: October / November 2010
December 2010	: January / February 2011
March 2011	: May 2011

(Audited annual results)

- c) **Dividend Payment Date** : On or before October 16, 2010
- d) **Book Closure period** : September 8, 2010 to September 17, 2010

- e) **Listing on Stock Exchange:** Bombay Stock Exchange Limited (BSE),
Dalal Street,
Mumbai - 400 001

Listing fees, as prescribed, have been paid to the BSE up to March 31, 2011.

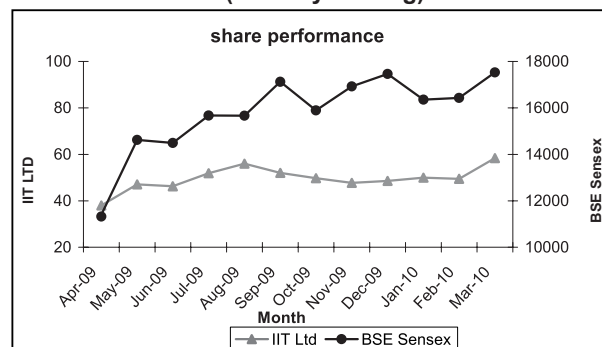
- f) **Stock Code at BSE** : 501295

g) Stock price data at the BSE

Month	High Rs.	Low Rs.
April, 2009	43.65	31.95
May, 2009	55.00	36.00
June, 2009	56.75	41.60
July, 2009	52.85	37.05
August, 2009	61.00	47.00
September, 2009	62.00	50.00
October, 2009	65.40	47.10
November, 2009	58.70	46.25
December, 2009	52.00	42.50
January, 2010	62.50	47.00
February, 2010	54.90	45.00
March, 2010	60.90	50.15

h) Graph

- Share Price / BSE (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.: 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 despatched 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, 2010**

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 – 500	2,124	74.76	3,70,363	3.70
501 – 1000	305	10.74	2,64,993	2.65
1001 – 2000	168	5.91	2,69,378	2.69
2001 – 3000	85	2.99	2,19,019	2.19
3001 – 4000	33	1.16	1,19,572	1.20
4001 – 5000	40	1.41	1,96,323	1.96
5001 – 10000	43	1.51	3,17,780	3.18
10001 – 10000000	43	1.51	82,42,572	82.43
TOTAL	2,841	100.00	1,00,00,000	100.00

Shareholding pattern as on March 31, 2010

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	62,72,337	62.72
Foreign Company	-	-	-
Non Resident (Individual & Companies)	33	99,674	1.00
Foreign Institutional Investors	-	-	-
Insurance Companies	3	12,43,311	12.43
Financial Institutions / Banks	17	1,19,150	1.19
Mutual Funds	-	-	-
Central Government / State Government(s)	2	37,200	0.37
Resident Individuals	2,648	19,24,452	19.24
Clearing Member	30	48,075	0.48
Trust	5	45,500	0.46
Other bodies corporate	97	2,10,301	2.11
TOTAL	2,841	1,00,00,000	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, 2010, a total of 89,79,274 shares of the company which forms 89.79 % of the share capital of the company stands dematerialised.

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

As of date, the Company has not issued these types of securities.

n) 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.: 2596 3838

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

Address of Registered Office

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

Contact Person

Ms. Cumi Banerjee - CEO & Company Secretary
Tel. No.: 2266 5453

Auditor's Certificate on Corporate Governance

The Auditor's 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
Executive Chairman

Place : Mumbai
Date: July 20, 2010



Auditors' Certificate

To the Members of Industrial Investment Trust Limited

We have examined the compliance of the conditions of corporate governance by **Industrial Investment Trust Limited** ("the Company") for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited (hereinafter referred to as clause 49).

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. 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, we certify that the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in clause 49.

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: 20th July, 2010

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

1. We have audited the attached Balance Sheet of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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, 2010;
 - (b) in the case of the Profit and Loss Account, 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.
6. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

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

MUMBAI, 29th May, 2010

**ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)**

(I) Having regard to the nature of the Company's business/activities/result, transactions etc., clauses (ii), (vi), (viii), (x), (xi), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.

(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, to or from companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted loan of Rs. 16,000,000 to a Company during the year. At the year-end, the outstanding balance of such loan is Rs. Nil and the maximum amount involved during the year was Rs. 16,000,000.

(b) The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interests of the Company.

(c) The receipts of principal amount and interest have been regular/as per stipulations.

(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 Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, except in respect of payments made for certain services for which comparable quotations are not available owing to their nature and in respect of which we are 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 regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Wealth Tax, Service Tax and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
The Income-tax Act, 1961	Income tax	Income-tax Appellate Tribunal	A.Y. 1997-98	5,640,155
The Wealth tax Act, 1957	Wealth tax	High Court, Mumbai	A.Y. 1997-98	3,250,246

(viii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(ix) 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.

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

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and 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, 29th May, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	719,195,712	598,912,046
		<u>819,195,712</u>	<u>698,912,046</u>
(2) DEFERRED TAX LIABILITY (See Note 7)		1,267,301	1,552,753
	Total	<u>820,463,013</u>	<u>700,464,799</u>
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"C"	14,185,923	49,630,942
(b) Less: Depreciation		8,969,377	43,235,566
(c) Net block		5,216,546	6,395,376
(d) Less :Provision for write down in value of fixed assets		2,002,576	-
		<u>3,213,970</u>	<u>6,395,376</u>
(2) INVESTMENTS	"D"	485,061,640	347,627,071
(3) CURRENT ASSETS, LOANS AND ADVANCES			
(a) Sundry debtors	"E"	-	107,280,553
(b) Cash and bank balances		199,872,564	125,433,997
(c) Other current assets		6,169,159	4,605,702
(d) Loans and advances		176,487,705	139,311,230
		<u>382,529,428</u>	<u>376,631,482</u>
Less: CURRENT LIABILITIES AND PROVISIONS	"F"		
(a) Current liabilities		17,546,912	17,955,524
(b) Provisions		32,795,113	12,233,606
		<u>50,342,025</u>	<u>30,189,130</u>
NET CURRENT ASSETS		<u>332,187,403</u>	<u>346,442,352</u>
	Total	<u>820,463,013</u>	<u>700,464,799</u>

NOTES TO THE ACCOUNTS

The schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered AccountantsZ. F. BILLIMORIA
Partner

Mumbai : 29th May, 2010

For and on behalf of the Board of Directors

Dr. B. SAMAL BIPIN AGARWAL
Executive Chairman DirectorCUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
INCOME			
Dividend on long term investments - other than trade		2,264,646	6,729,530
Interest	"G"	27,968,416	29,558,035
Rent		14,864,340	13,665,840
Fees		-	28,125,000
Net profit on sale of long term investments		14,620,472	53,377,281
Provision for doubtful loans and interest accrued no longer required		54,318,408	45,612,027
Provision for diminution in value of investments no longer required		81,420,602	-
Miscellaneous		33,651	10,472
Total		195,490,535	177,078,185
EXPENDITURE			
Personnel expenses	"H"	7,459,406	4,392,649
Operating and other expenses	"I"	14,186,162	40,792,401
Provision for diminution in the value of investments		-	69,506,406
Interest- other than on fixed loans		-	1,295,901
Depreciation on fixed assets	"C"	739,309	954,035
Provision for write down in value of fixed assets		2,002,576	-
Depreciation on investment in immovable property		11,685	12,300
Total		24,399,138	116,953,692
PROFIT BEFORE TAXATION		171,091,397	60,124,493
Provision for taxation			
- Current tax		(25,800,000)	(6,500,000)
- Deferred tax (See Note 7)		285,452	(1,552,753)
- Fringe benefit tax		-	(114,000)
- Tax adjustment for prior years		(7,801,683)	(639,644)
PROFIT AFTER TAXATION		137,775,166	51,318,096
Add: Balance brought forward from last year		224,477,238	196,458,642
AMOUNT AVAILABLE FOR APPROPRIATIONS		362,252,404	247,776,738
Less: Appropriations			
Transfer to special reserve		27,556,000	10,300,000
Proposed dividend		15,000,000	10,000,000
Tax on dividend		2,491,500	1,699,500
Transfer to general reserve		6,889,000	1,300,000
BALANCE CARRIED TO BALANCE SHEET		310,315,904	224,477,238

NOTES TO THE ACCOUNTS

The schedules referred to above form an integral part of the Profit and Loss Account

Basic and Diluted earnings per equity share (Rs.) (See Note 4)	13.78	5.13
Nominal value per equity share (Rs.)	10.00	10.00

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered AccountantsZ. F. BILLIMORIA
Partner

Mumbai : 29th May, 2010

For and on behalf of the Board of Directors

Dr. B. SAMAL BIPIN AGARWAL
Executive Chairman DirectorCUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	171,091,397	60,124,493
Adjustments for:		
Depreciation	750,994	966,335
Interest income	(27,968,416)	(29,558,035)
Interest expense	-	1,295,901
Provision for doubtful loans and interest accrued no longer required	(54,318,408)	(45,612,027)
Loss on write off of fixed assets	485,426	-
Provision for interest on income tax	1,080,000	-
Provision for compensated absences	220,824	204,796
Provision for diminution in value of investments no longer required	(81,420,602)	-
Provision for diminution in value of investments	-	69,506,406
Provision for written down value of fixed assets	2,002,576	-
Net profit on sale of long term investments	(14,620,472)	(53,377,281)
Operating (loss) / profit before working capital changes	(2,696,681)	3,550,588
(Decrease) / Increase in current liabilities	(408,612)	16,305
Decrease / (Increase) in sundry debtors	107,280,553	(57,266,347)
Decrease in advances and other current assets	2,072,920	4,550,597
Other adjustments :		
Purchase of long term investments	(293,637,182)	(766,663,614)
Sale of long term investments	252,232,002	753,524,025
Loans granted	(96,000,000)	(50,000,000)
Repayment of loans	99,595,940	197,045,573
Interest received	26,729,511	42,565,184
Interest paid	-	(1,295,901)
Cash generated from operations	95,168,451	126,026,410
Direct taxes paid (including fringe benefit tax)	(8,984,479)	(12,802,129)
Net cash generated from operating activities	86,183,972	113,224,281
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(45,905)	(1,009,255)
Net cash used in from investing activities	(45,905)	(1,009,255)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(50,000,000)
Proposed dividend	(10,000,000)	(20,611,518)
Tax on proposed dividend	(1,699,500)	(3,399,000)
Net cash used in financing activities	(11,699,500)	(74,010,518)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	74,438,567	38,204,508

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year, as per Schedule E	125,433,997	87,229,489
As at the end of the year, as per Schedule E	199,872,564	125,433,997
NET INCREASE AS DISCLOSED ABOVE	<u>74,438,567</u>	<u>38,204,508</u>

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

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

Mumbai : 29th May, 2010

For and on behalf of the Board of Directors

Dr. B. SAMAL BIPIN AGARWAL
Executive Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May, 2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
15,000,000 Equity shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up:		
10,000,000 Equity shares of Rs.10 each fully paid-up (of the above 8,999,850 equity shares are allotted as fully paid-up bonus shares by capitalisation of capital reserve and general reserve)	<u>100,000,000</u>	<u>100,000,000</u>
Total	<u>100,000,000</u>	<u>100,000,000</u>
SCHEDULE "B"		
RESERVES AND SURPLUS		
Capital reserve:		
Balance as per last balance sheet	750	750
General reserve:		
Balance as per last balance sheet	159,891,058	158,591,058
Add: Transferred from profit and loss account	<u>6,889,000</u>	<u>1,300,000</u>
	<u>166,780,058</u>	<u>159,891,058</u>
Special reserve (as per the RBI regulations)		
Balance as per last balance sheet	214,543,000	204,243,000
Add: Transferred from profit and loss account	<u>27,556,000</u>	<u>10,300,000</u>
	<u>242,099,000</u>	<u>214,543,000</u>
Balance in Profit and Loss Account	310,315,904	224,477,238
Total	<u>719,195,712</u>	<u>598,912,046</u>

**SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE "C"**

FIXED ASSETS

ASSETS	COST		DEPRECIATION		NET BLOCK	
	As at 1st April, 2009	Additions during the year	Deductions during the year	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2010
Buildings	9,100,000	-	-	9,100,000	4,215,950	4,884,050
Furniture, fixtures & office equipment	6,818,267	28,005	5,709,545	1,136,727	482,118	5,795,757
Motor cars	905,870	-	-	905,870	408,340	234,530
Computers	32,806,805	17,900	29,781,379	3,043,326	2,984,071	32,321,229
Total	49,630,942	45,905	35,490,924	14,185,923	8,969,377	43,235,566
Previous year	48,621,687	1,009,255	-	49,630,942	-	42,281,531
						(2,002,576)
						3,213,970
						6,395,376

Less : Provision for write down in value of fixed assets

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "D"		
INVESTMENTS :		
Long term (at cost)		
Trade Investments (details as per supporting schedule)		
Unquoted		
Equity shares in subsidiary companies, fully paid-up	142,410,000	122,410,000
Less: Provision for diminution in the value of investments	<u>(58,705,000)</u>	<u>(117,410,000)</u>
	83,705,000	5,000,000
Quoted		
Equity shares in a subsidiary company, fully paid-up	136,123,073	133,926,834
(i)	<u>219,828,073</u>	<u>138,926,834</u>
Other Investments (details as per supporting schedule)		
Unquoted:		
Units of Mutual Fund, fully paid-up	82,153,768	70,530,972
Quoted:		
Equity shares, fully paid-up	229,648,581	207,441,964
Less: Provision for diminution in the value of investments	<u>(46,790,804)</u>	<u>(69,506,406)</u>
(ii)	<u>182,857,777</u>	<u>137,935,558</u>
	265,011,545	208,466,530
Immovable property		
Cost as per last balance sheet	1,069,071	1,069,071
Less: Depreciation to-date	<u>847,049</u>	<u>835,364</u>
(iii)	<u>222,022</u>	<u>233,707</u>
Total (i)+(ii)+(iii)	<u><u>485,061,640</u></u>	<u><u>347,627,071</u></u>
Aggregate amount of quoted investments [Market value Rs. 254,848,762; (as at 31st March, 2009: Rs. 170,043,819)]		
	318,980,850	271,862,392
Aggregate amount of unquoted investments		
	165,858,768	75,530,972
Immovable property		
	222,022	233,707
Total	<u><u>485,061,640</u></u>	<u><u>347,627,071</u></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "E"		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Sundry debtors (unsecured, considered good):		
Outstanding for a period less than six months	-	107,280,553
	-	107,280,553
(b) Cash and bank balances:		
Cash on hand	13,254	8,618
With Scheduled banks:		
- On Current account	6,160,374	7,721,162
- On Unpaid dividend account	3,271,287	2,704,217
- On Fixed deposit account	190,427,649	115,000,000
	<u>199,872,564</u>	<u>125,433,997</u>
(c) Other current assets (considered good, unless otherwise stated):		
Income accrued on investments	393,272	68,720
Interest accrued on bank deposits	2,348,710	2,057,445
Interest accrued on loans:		
- to subsidiaries	1,984,712	-
- to others (considered doubtful: Rs.151,315; as at 31st March, 2009: Rs.151,315)	1,593,780	2,630,852
	<u>6,320,474</u>	<u>4,757,017</u>
Less: Provision for doubtful interest	(151,315)	(151,315)
	<u>6,169,159</u>	<u>4,605,702</u>
(d) Loans and advances (unsecured, considered good, unless otherwise stated):		
Loans to subsidiaries		
(considered doubtful: Rs. Nil; as at 31st March, 2009 Rs. 54,318,408)	100,722,468	54,318,408
Loans to others [includes Rs.50,000,000 (as at 31st March, 2009: Rs.100,000,000) secured by way of pledge of shares] (considered doubtful: Rs.132,610,131; as at 31st March, 2009: Rs.132,610,131)	182,610,131	232,610,131
	<u>283,332,599</u>	<u>286,928,539</u>
Less: Provision for doubtful loans	(132,610,131)	(186,928,539)
	<u>150,722,468</u>	<u>100,000,000</u>
Advances recoverable in cash or in kind or for value to be received:		
- to subsidiaries	16,296	-
-to others (considered doubtful:Rs.151,315; as at 31st March, 2009: Rs.151,315)	4,939,280	7,353,048
Advance payment of income tax (net of provision)	20,809,661	31,958,182
	<u>176,487,705</u>	<u>139,311,230</u>
Total	<u><u>382,529,428</u></u>	<u><u>376,631,482</u></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "F"		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities:		
Sundry creditors (no outstanding dues of micro enterprises and small enterprises) (See Note 6):		
-to subsidiaries	100,905	-
-to others	467,822	423,104
Rent received in advance	-	1,138,820
Security deposits	13,659,845	13,659,845
Other liabilities	47,053	29,538
Investor Protection and Education Fund shall be credited by the following amounts when due:		
Unclaimed dividends	<u>3,271,287</u>	<u>2,704,217</u>
	<u>17,546,912</u>	<u>17,955,524</u>
(b) Provisions:		
Proposed dividend	15,000,000	10,000,000
Tax on proposed dividend	2,491,500	1,699,500
Compensated absences	514,837	294,013
Provision for income tax (net of advance tax)	14,738,281	91,598
Provision for fringe benefit tax (net of advance tax)	<u>50,495</u>	<u>148,495</u>
	<u>32,795,113</u>	<u>12,233,606</u>
Total	<u><u>50,342,025</u></u>	<u><u>30,189,130</u></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

SCHEDULE "G"	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
INTEREST :		
On deposits with banks (gross) (tax deducted at source Rs. 1,701,936; as at 31st March, 2009: Rs. 1,760,355)	15,731,309	8,939,869
On loans (tax deducted at source Rs. 1,584,056; as at 31st March, 2009: Rs. 4,068,627)	11,574,443	19,301,487
On income tax refund	662,664	837,007
Others (tax deducted at source Rs. Nil; as at 31st March, 2009: Rs.98,812)	-	479,672
Total	<u><u>27,968,416</u></u>	<u><u>29,558,035</u></u>
SCHEDULE "H"		
PERSONNEL EXPENSES		
Salaries and bonus	6,369,326	3,874,489
Contribution to provident and other funds (See Note 9)	785,949	380,129
Staff welfare expenses	304,131	138,031
Total	<u><u>7,459,406</u></u>	<u><u>4,392,649</u></u>
SCHEDULE "I"		
OPERATING AND OTHER EXPENSES		
Rates and taxes	3,300	6,720
Rent	3,608,280	2,864,280
Travelling and conveyance	1,434,345	1,000,627
Insurance	34,154	8,885
Printing and stationery	228,607	249,587
Sub-contracting charges	-	25,312,500
Communication expenses	219,224	260,876
Electricity	529,936	686,353
Repairs and maintenance:		
- Buildings	1,320,042	1,450,827
- Computers	124,045	34,805
- Others	116,575	60,881
	<u>1,560,662</u>	<u>1,546,513</u>
Legal and professional fees	1,079,971	3,044,667
Directors' fees	560,000	439,000
Membership fees	1,566,574	117,784
Auditors' remuneration:		
- Audit fees	300,000	260,000
- Other services	340,000	480,000
- Out of pocket expenses	-	5,020
- Service tax	65,920	86,703
	<u>705,920</u>	<u>831,723</u>
Interest on Income tax	1,080,000	2,802,160
Advertisement	87,226	532,808
Loss on write off of fixed assets	485,426	-
Miscellaneous	1,002,537	1,087,918
Total	<u><u>14,186,162</u></u>	<u><u>40,792,401</u></u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "J"

NOTES TO THE ACCOUNTS

(1) Significant Accounting Policies

(i) 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.

(ii) Revenue Recognition:

(a) Interest on all lending such as inter corporate deposits and finance against securities are accounted on accrual basis.

(b) Dividend is accounted when the right to receive payment is established and known.

(c) Income from consultancy or advisory services are accounted as per the terms of contract with the customers.

(iii) 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.

(iv) 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 year irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.

(v) Investments:

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

(vi) Taxation:

Tax expense comprises current, deferred and fringe benefit tax. Current tax and fringe benefit tax are 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 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 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.

(vii) Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event 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 are not discounted to their present values and are determined based on management 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 management estimates.

(viii) 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 Profit and Loss Account on a straight-line basis over the lease term.

(ix) Employee benefits:

(a) Short term employee benefits:

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

(b) Long term employee benefits:

(i) 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 make 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 Profit and Loss Account as incurred.

(ii) Defined Benefit Plan:

1. 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 Profit and Loss Account.

2. 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 Profit and Loss Account.

	31st March, 2010	31st March, 2009
	Rs.	Rs.
(2) Contingent liabilities not provided for in respect of		
(a) Disputed income-tax matters in appeal.	24,684,042	24,684,042
(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.

	Year ended	Year ended
	31st March, 2010	31st March, 2009
(3) Executive Chairman's Remuneration:		
Salaries	2,100,000	-
Contribution to provident fund	252,000	-

(The above do not include contribution towards gratuity fund and provision for compensated absences as the liability in respect thereof is made on a global basis)

(4) Basic earnings per share has 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



	Year ended 31st March, 2010	Year ended 31st March, 2009
(a) Numerator: Profit after tax (Rs.)	137,775,166	51,318,096
(b) Denominator: Weighted average number of equity shares	10,000,000	10,000,000
(c) Basic, as well as diluted, earnings per equity share (in Rs.)	13.78	5.13

(5) Related party disclosures:

- (i) (a) Names of related parties and nature of related party relationship where control exists are as under:
 Subsidiary companies: IIT Investrust Limited
 Indo Green Projects Limited
 IIT Insurance Broking and Risk Management Pvt. Limited

- (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

Companies in which directors have significant influence:

N.N. Financial Services Pvt. Limited.
 NCJ international Limited

(ii)

Sr. No.	Nature of transactions	Subsidiary Companies	Key Management Personnel	Companies in which directors have significant influence
		Rs.	Rs.	Rs.
1.	Volume of transactions :			
(i)	Loans given			
	-Indo Green Projects Limited	80,000,000	-	-
		(-)	(-)	(-)
	-NCJ International Limited	-	-	16,000,000
		(-)	(-)	(-)
(ii)	Refund of loans given			
	-IIT Investrust Limited	33,595,940	-	-
		(45,612,027)	(-)	(-)
	-NCJ International Limited	-	-	16,000,000
		(-)	(-)	(-)
(iii)	Refund of loan taken			
	-N. N. Financial Services Pvt. Limited	-	-	-
		(-)	(-)	(50,000,000)
(iv)	Rent received			
	-IIT Investrust Limited	600,000	-	-
		(-)	(-)	(-)
	-Indo Green Projects Limited	300,000	-	-
		(-)	(-)	(-)
	-IIT Insurance Broking and Risk Management Private Limited	300,000	-	-
		(-)	(-)	(-)



Sr. No.	Nature of transactions	Subsidiary Companies	Key Management Personnel	Companies in which directors have significant influence
		Rs.	Rs.	Rs.
(v)	Purchase of equity shares -Indo Green Projects Limited	2,196,239 (133,926,834)	- (-)	- (-)
(vi)	Subscription of equity shares -IIT Insurance Broking & Risk Management Pvt. Limited	20,000,000 (5,000,000)	- (-)	- (-)
(vii)	Interest income -Indo Green Projects Limited	514,521 (-)	- (-)	- (-)
	-IIT Investrust Limited	2,205,237 (-)	- (-)	- (-)
	-NCJ International Limited	- (-)	- (-)	342,356 (-)
(viii)	Interest expenses -N. N. Financial Services Pvt. Limited	- (-)	- (-)	- (1,295,901)
(ix)	Remuneration paid to Dr. B. Samal	- (-)	2,352,000 (-)	- (-)
(x)	Purchase of securities -IIT Investrust Limited	13,225,090 (-)	- (-)	- (-)
(xi)	Consultancy charges paid (including Service Tax)-IIT Investrust Limited	- (27,147,960)	- (-)	- (-)
(xii)	Sale of securities -IIT Investrust Limited	10,852,008 (-)	- (-)	- (-)
(II)	Receivable as at year end -IIT Investrust Limited	20,722,468 (54,318,408)	- (-)	- (-)
	-Indo Green Projects Limited	80,000,000 (-)	- (-)	- (-)
(III)	Provision there against -IIT Investrust Limited	- (54,318,408)	- (-)	- (-)
(IV)	Interest receivable on loan -IIT Investrust Limited	1,984,712 (-)	- (-)	- (-)
(V)	Receivable for expenses incurred on behalf of -Indo Green Projects Limited	8,148 (-)	- (-)	- (-)
	-IIT Insurance Broking & Risk Management Private Limited	8,148 (-)	- (-)	- (-)
(VI)	Payable for expenses at year end -IIT Investrust Limited	100,905 (-)	- (-)	- (-)

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

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

	Name	Balance as at 31st March, 2010	Maximum amount outstanding during the year ended 31st March, 2010	No. of shares of the company held by the loanees as at 31st March, 2010
		Rs.	Rs.	Rs.
A.	Loans and advances in the nature of loans to subsidiaries and associates -			
	IIT Investrust Limited **	20,722,468 (54,318,408)	54,318,408 (99,930,435)	- (-)
	Indo Green Projects Limited	80,000,000 (-)	80,000,000 (-)	- (-)
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 (83,348,000)	83,348,000 (83,348,000)	- (-)
	(ii) Nu-tech Corporate Services Limited*	44,762,131 (44,762,131)	44,762,131 (44,762,131)	- (-)
	(iii) Yash Safety Product Limited*	2,500,000 (2,500,000)	2,500,000 (2,500,000)	- (-)
	(iv) Micro Precision Pumps & Gears Limited*	2,000,000 (2,000,000)	2,000,000 (2,000,000)	- (-)

*No repayment schedule and no interest charged. Also provided for in the earlier years.

**No repayment schedule and no interest charged till the previous year. In the current year, the Company has charged interest @ 9% from the subsidiary and there is no repayment schedule.

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

(6) 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.

(7) (a) The break-up of the deferred tax assets and liabilities are as under :

Nature of timing difference	Deferred tax asset/(liability) as at 31st March, 2009 Rs.	(Charge)/credit for the current year Rs.	Deferred tax asset/(liability) as at 31st March, 2010 Rs.
Deferred tax liabilities:			
Depreciation	(1,552,753)	110,459	(1,442,294)
Deferred tax assets:			
Items covered under section 43B	-	174,993	174,993
Net Amount	(1,552,753)	285,452	(1,267,301)

(b) MAT credit of Rs. 40,059,107 (Previous Year Rs. 15,124,107) is not recognised as an asset as the company has carried forward business losses.:

- (8) 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. The agreement provides for increase in rent. There are no restrictions imposed by the lease arrangement. There are no sub leases. The lease rental expense recognized in the profit and loss account for the year Rs. 759,000/- (Previous Year: Rs. Nil).

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

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
Not later than one year	1,563,540	-
Later than one year but not later than five years	2,510,165	-
Later than five years	-	-
Total	4,073,705	-

- (9) **Employee Benefits**
- A. Defined Contribution Plan Contribution to defined contribution plan, recognised in the Profit and Loss Account under Contribution to provident fund and other funds in Schedule "H" for the year are as under :
- | | 31st March, 2010 | 31st March, 2009 |
|---|-------------------------|------------------|
| | Rs | Rs |
| Employer's contribution to Regional Provident Fund Commissioner | 552,366 | 245,071 |
| Employer's contribution to Family Pension Fund | 59,804 | 55,596 |
- B. Defined Benefit Plan
- | | Gratuity (funded) | |
|---|-------------------------|------------------|
| | 31st March, 2010 | 31st March, 2009 |
| | Rs | Rs |
| i. Reconciliation of opening and closing balances of Defined Benefit Obligation | | |
| Present value of Defined Benefit Obligation as at the beginning of the year | 301,389 | 146,473 |
| Interest Cost | 21,097 | 10,253 |
| Current Service Cost | 202,537 | 86,318 |
| Benefits paid | - | - |
| Net Actuarial Loss | 46,798 | 58,345 |
| Present value of Defined Benefit Obligation as at the end of the year | 571,821 | 301,389 |
| ii. Reconciliation of fair value of Plan Assets | | |
| Fair value of Plan Assets as at the beginning of the year | 564,964 | 525,128 |
| Expected return on Plan Assets | 45,186 | 39,836 |
| Net Actuarial Gain / (Loss) | - | - |
| Employer's Contribution | 230,644 | - |
| Benefits paid | - | - |
| Fair value of Plan Assets as at the end of the year | 840,794 | 564,964 |

The Company expects to contribute Rs. 215,000 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:

	31st March, 2010	31st March, 2009
	Rs	Rs
Funds maintained with Life Insurance Corporation of India	100%	100%

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	(571,821)	(301,389)
	Fair value of Plan Assets	840,794	564,964
	Net assets recognised in the Balance Sheet	268,973	263,575
iv.	Components of Employer's Expenses		
	Current Service Cost	202,537	86,318
	Interest Cost	21,097	10,253
	Expected on Plan Assets	(45,186)	(39,836)
	Net Actuarial Loss	46,798	58,345
	Total expense recognised in the Profit and Loss Account in Schedule "H" under:	225,246	115,080

Contribution to provident and other funds

Actual return on Plan Assets	45,186	39,836
------------------------------	---------------	--------

v.	Actuarial Assumptions		
	Mortality Table		LIC (1994-96) (Ultimate)
	Discount rate	7%	7%
	Expected rate of return on Plan Assets	8%	7.6%
	Salary escalation	5%	5%

- 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)		
	31 March 2010	31 March 2009	31 March 2008	
	Rs.	Rs.	Rs.	
1.	Present Value of Defined Benefit Obligation	571,821	301,389	146,473
2.	Fair Value of Plan Assets	840,974	564,964	525,128
3.	Funded Status [Surplus]	268,973	263,575	378,655
4.	Net Asset	268,973	263,575	378,655
5.	Experience adjustment arising on:			
	a. Plan Liabilities [Loss]	46,798	58,345	14,599
	b. Plan Assets [Loss]	5,639	3,060	6,435

Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by The Companies (Accounting Standards) Rules, 2006 requires the disclosure of the above information for the past four years; however the information is available only since the date of implementing the Standard.

- viii The above information is as certified by the actuary and relied upon by the auditors.
- (10) 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.
- (11) The figures relating to the previous year have been regrouped wherever necessary.
-

Signatures to Schedules "A" to "J"

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May, 2010

For and on behalf of the Board of Directors

Dr. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

**Balance Sheet Abstract And Company's General Business Profile as per Part IV to Schedule VI to the Companies Act, 1956.****I. Registration Details**Registration No.

				1	9	9	8
--	--	--	--	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		8	2	0	4	6	3
--	--	---	---	---	---	---	---

Total Assets

		8	2	0	4	6	3
--	--	---	---	---	---	---	---

Source of Funds:

Paid up Capital

		1	0	0	0	0	0
--	--	---	---	---	---	---	---

Reserves & Surplus

		7	1	9	1	9	6
--	--	---	---	---	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

Deferred tax liability

				1	2	6	7
--	--	--	--	---	---	---	---

Application of Funds:

Net Fixed Assets

				3	2	1	4
--	--	--	--	---	---	---	---

Investments

		4	8	5	0	6	2
--	--	---	---	---	---	---	---

Net Current Assets

		3	3	2	1	8	7
--	--	---	---	---	---	---	---

Deferred tax asset (net)

					N	I	L
--	--	--	--	--	---	---	---

Misc. Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)

		1	9	5	4	9	0
--	--	---	---	---	---	---	---

Total Expenditure

		2	4	3	9	9	
--	--	---	---	---	---	---	--

Profit(+)/Loss(-) Before Tax

		1	7	1	0	9	1
--	--	---	---	---	---	---	---

Profit(+)/Loss(-) After Tax

		1	3	7	7	7	5
--	--	---	---	---	---	---	---

Earnings per share in Rs.

			1	3	.	7	8
--	--	--	---	---	---	---	---

Dividend (%)

						1	5
--	--	--	--	--	--	---	---

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No.(ITC Code)

Product Description

N.A.

INVESTMENTS

N.A.

CORPORATE SERVICES

Dr. B. SAMAL
Executive ChairmanBIPIN AGARWAL
DirectorCUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May 2010

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

As required under the Reserve Bank of India's Notification No. DNBS. 201 /DG(VL) – 2008 dated 18th September, 2008, on the basis of our audit of the books of account and other records of the Company for the year ended 31st March, 2010 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management we report as follows in terms of paragraphs 3 and 4 of the Notification:

1. The Company is engaged in the business of Non-Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has been classified as an Investment Company as indicated in the Certificate of Registration (CoR) bearing No. B-13.01368 dated 15th September, 2000 from the Reserve Bank of India ("the RBI").
2. The Company is entitled to continue to hold the CoR based on its asset / income pattern as on 31st March, 2010, which have been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19th October, 2006 and for which we have issued a separate

certificate dated 29th May, 2010 as required in terms of para.15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. The Board of Directors has passed a resolution on 17th April, 2009 for non-acceptance of public deposits.
4. The Company has not accepted any public deposit during the year.
5. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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

Z. F. Billimoria
Partner

MUMBAI, 29th May, 2010

(Membership No. 42791)

Schedule to the Balance Sheet as at 31st March, 2010 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	31-03-2010		31-03-2009	
		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	-	-	-	-



	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	50,000,000	100,000,000
	(b) Unsecured	1 26,487,705	39,311,230
	Total	176,487,705	139,311,230
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP 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) Hypothecation loans counting towards EL/HP 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	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(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	318,980,850	271,862,922
	(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	83,705,000	5,000,000
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	82,153,768	70,530,972
(iv) Government Securities	-	-
(v) Others - Immovable property	222,022	233,707
(vi) Others-Share Application Money	-	-
	4 85,061,640	347,627,601

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :(net of provisions for doubtful loans)

Category	31-03-2010			31-03-2009		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	100,722,468	100,722,468	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	75,765,237	75,765,237	-	139,311,230	139,311,230
Total	-	176,487,705	176,487,705	-	139,311,230	139,311,230

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

Category	31-03-2010		31-03-2009	
	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	250,317,100	219,828,073	117,973,339	138,926,834
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	198,253,603	265,011,545	119,143,677	208,466,530
Total	448,570,703	484,839,618	237,117,016	347,393,364

(8) Other information

Particulars	31-03-2010 Amount	31-03-2009 Amount
(i) Gross Non-performing Assets		
(a) Related parties	58,705,000	171,728,408
(b) Other than related parties	179,552,250	202,267,852
(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
Executive Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May 2010

**Schedule of Investments forming part of Schedule "D" to the Accounts**

Name of the Company	Face Value per Scrip Rupees	As at 31.03.2010		As at 31.03.2009	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
UNQUOTED TRADE INVESTMENTS					
Equity shares in subsidiary companies, fully paid-up:					
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	500,000	5,000,000
Total			142,410,000		122,410,000
QUOTED TRADE INVESTMENTS					
Equity shares in a subsidiary company, fully paid-up:					
INDO GREEN PROJECTS LIMITED	10	3,580,347	136,123,073	3,516,910	133,926,834
Total			136,123,073		133,926,834
UNQUOTED OTHER INVESTMENTS					
Units of Mutual Fund, fully paid-up:					
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN PREMIUM DAILY DIVIDEND		646,206	6,475,626	-	-
RELIANCE MONEY MANAGER FUND RETAIL OPTION DAILY DIVIDEND		5,142	5,147,170	-	-
UTI-GILT ADVANTAGE FUND LTP DIVIDEND PLAN PAYOUT		2,410,869	32,446,911	2,410,869	32,446,911
UTI-BOND FUND		843,192	10,000,000	843,192	10,000,000
UTI-GILT ADVANTAGE FUND LTP PF PLAN (DIVIDEND) PAYOUT		2,232,189	28,084,061	2,232,189	28,084,061
Total			82,153,768		70,530,972
QUOTED OTHER INVESTMENTS					
Equity shares, fully paid-up:					
ACC LIMITED	10	300	270,897	-	-
ANSAL PROPERTIES AND INFRASTRUCTURE LIMITED	5	10,000	4,305,646	10,000	4,305,646
ACKRUTI CITY LIMITED	10	5,144	2,226,550	-	-
BHARTI AIRTEL LIMITED	5	11,600	3,872,813	-	-
DLF LIMITED	2	10,000	4,416,095	-	-
EMPEE DISTILLERIES LIMITED	10	2,500	952,940	2,500	952,940
GMR INFRASTRUCTURE LIMITED (31.03.2009 Face Value Rs. 2)	1	19,900	1,655,595	9,950	1,655,595
GUJARAT STATE FERTILISERS & CHEMICALS LIMITED	10	20,000	6,839,329	20,000	6,839,329
HBL POWER SYSTEMS LIMITED (31.03.2009 Face Value Rs. 10)	1	9,450	427,825	945	427,825

**Schedule of Investments forming part of Schedule "D" to the Accounts**

Name of the Company	Face Value per Scrip Rupees	As at 31.03.2010		As at 31.03.2009	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
HINDUSTAN CONSTRUCTION COMPANY LIMITED	1	-	-	9,000	1,235,346
IDEA CELLULAR LIMITED	10	-	-	500	54,527
INDIA CEMENT LIMITED	10	14,895	2,450,912	-	-
JAIPRAKASH ASSOCIATES LIMITED	2	7,500	1,302,927	2,500	903,633
JAIPRAKASH POWER VENTURE LIMITED	10	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	10,000	2,234,479	10,000	2,234,479
LANCO INFRATECH LIMITED	10	-	-	18,000	8,040,346
LARSEN AND TOUBRO LIMITED	2	-	-	14,980	15,789,467
MERCATOR LINES LIMITED	1	6,080	904,607	6,080	904,607
NHPC LIMITED	10	100,000	3,425,126	-	-
PATEL ENGINEERING LIMITED	1	4,500	4,588,256	4,500	4,588,256
POWER GRID CORPORATION OF INDIA LIMITED	10	-	-	17,000	1,871,185
OM METALS INFRA PROJECTS LIMITED	1	100,00	3,710,844	-	-
RELIANCE CAPITAL LIMITED	10	9,995	14,851,359	3,000	8,371,337
RELIANCE COMMUNICATIONS LIMITED	5	62,961	25,610,542	12,980	10,619,870
RELIANCE INDUSTRIES LIMITED (received on amalgamation of Reliance Petroleum Limited)	10	4,912	10,037,676	39,300	10,037,676
RELIANCE MEDIA WORKS LIMITED (earlier known as Adlabs Films Limited)	5	10,000	5,956,600	4,500	5,860,020
RELIANCE MEDIA WORLD LIMITED	5	10,000	1,794,343	-	-
RELIANCE POWER LIMITED	10	100,000	21,886,285	47,752	11,781,833
RUCHI SOYA INDUSTRIES LIMITED	2	-	-	60,000	8,836,334
SESA GOA LIMITED	1	-	-	280	45,846
SQL STAR INTERNATIONAL LIMITED	10	547,677	22,685,544	547,677	22,685,544
STERLITE INDUSTRIES LIMITED	2	-	-	9,500	8,895,433
TATA STEEL LIMITED	10	-	-	34,500	14,511,825
UNITECH LIMITED	2	558,825	74,452,200	209,975	50,005,002
UNITED BREWERIES HOLDINGS LIMITED	10	893	806,572	893	806,572
WOCKHARDT LIMITED	5	7,500	3,174,562	7,500	3,174,562
Total			229,648,581		207,441,964

INDUSTRIAL INVESTMENT TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

**AUDITORS' REPORT****TO THE BOARD OF DIRECTORS OF INDUSTRIAL INVESTMENT TRUST LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDUSTRIAL INVESTMENT TRUST LIMITED AND ITS SUBSIDIARIES**

1. We have audited the attached Consolidated Balance Sheet of INDUSTRIAL INVESTMENT TRUST LIMITED ("the Company") and its subsidiaries ("the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 140,974,345 as at 31st March, 2010, total revenues of Rs. 164,540,371 and net cash inflows amounting to Rs. 67,188,311 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 and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (I) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Z. F. Billimoria
Partner

MUMBAI, 29th May, 2010

(Membership No. 42791)



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	747,353,409	666,765,565
		847,353,409	766,765,565
(2) MINORITY INTEREST		18,270,979	19,974,624
(3) DEFERRED TAX LIABILITY [See Note 5(l)]		1,511,187	1,557,624
Total		867,135,575	788,297,813
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS	"C"		
(a) Gross block		31,699,949	59,783,174
(b) Less: Depreciation/amortisation		14,282,690	45,065,638
(c) Net block		17,417,259	14,717,536
(d) Less :Provision for write down in value of fixed assets		2,002,576	-
		15,414,683	14,717,536
(2) GOODWILL ON CONSOLIDATION		88,810,261	87,456,747
(3) INVESTMENTS	"D"	265,233,567	208,700,237
(4) DEFERRED TAX ASSET [See Note 5(l)]		308,062	7,302,176
(5) CURRENT ASSETS, LOANS AND ADVANCES	"E"		
(a) Stock-in-trade		137,694,901	-
(b) Sundry debtors		9,283,015	124,955,727
(c) Cash and bank balances		353,603,500	199,407,925
(d) Other current assets		4,976,696	4,994,041
(e) Loans and advances		160,941,620	171,668,333
		666,499,732	501,026,026
Less: CURRENT LIABILITIES AND PROVISIONS	"F"		
(a) Current liabilities		129,544,567	18,604,907
(b) Provisions		39,586,163	12,300,002
		169,130,730	30,904,909
NET CURRENT ASSETS		497,369,002	470,121,117
Total		867,135,575	788,297,813

NOTES TO THE ACCOUNTS "J"

The schedules referred to above form an integral part of the Balance Sheet

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

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

Z. F. BILLIMORIA Partner CUMI A. BANERJEE CEO & Company Secretary

Mumbai : 29th May, 2010 Mumbai : 29th May, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
INCOME			
Dividend on long term investments - other than trade		2,264,646	6,729,530
Dividend on current investments		696,054	762,018
Interest	"G"	29,979,950	32,243,485
Rent on immovable property		13,664,340	13,665,840
Fees		156,290,000	91,361,620
Brokerage		2,051,255	-
Net profit on sale of long term investments		14,620,472	53,377,281
Profit on futures & options		6,620,629	3,100,508
Provision for diminution in value of investments no longer required		22,715,602	-
Miscellaneous		89,017	523,977
Total		248,991,965	201,764,259
EXPENDITURE			
Personnel expenses	"H"	19,834,507	7,091,384
Operating and other expenses	"I"	30,939,174	21,035,963
Provision for diminution in the value of investments		-	69,506,406
Interest- other than on fixed loans		-	1,295,901
Depreciation and amortisation on fixed assets	"C"	4,222,550	1,261,001
Provision for write down in value of fixed assets		2,002,576	-
Depreciation on investment in immovable property		11,685	12,300
Total		57,010,492	100,202,955
PROFIT BEFORE TAXATION		191,981,473	101,561,304
Provision for taxation			
- Current tax [See Note 5(ii)]		(77,300,000)	(16,813,300)
- Deferred tax		(6,947,676)	5,744,552
- Fringe benefit tax		-	(132,800)
- Income-tax adjustment for prior years		(10,515,373)	(847,615)
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST		97,218,424	89,512,141
Add: (Profit)/Loss attributable to minority interest		660,611	(375,541)
PROFIT AFTER TAXATION AND AFTER MINORITY INTEREST		97,879,035	89,136,600
Pre acquisition profits for the year of a subsidiary		200,309	(366,580)
Add: Balance brought forward from last year		291,628,757	226,158,237
AMOUNT AVAILABLE FOR APPROPRIATIONS		389,708,101	314,928,257
Less: Appropriations			
Transfer to special reserve		27,556,000	10,300,000
Proposed dividend		15,000,000	10,000,000
Tax on dividend		2,491,500	1,699,500
Transfer to general reserve		6,889,000	1,300,000
BALANCE CARRIED TO BALANCE SHEET		337,771,601	291,628,757

NOTES TO THE ACCOUNTS "J"

The schedules referred to above form an integral part of the Profit and Loss Account

Basic and Diluted earnings per equity share (Rs.) (See Note 6) 9.79 8.91
Nominal value per equity share (Rs.) 10.00 10.00

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

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

Z. F. BILLIMORIA Partner CUMI A. BANERJEE CEO & Company Secretary

Mumbai : 29th May, 2010 Mumbai : 29th May, 2010

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.		Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	191,981,473	101,561,304			
Adjustments for:					
Depreciation	4,234,235	1,273,301			
Interest income	(29,979,950)	(32,243,485)			
Interest expense	-	1,295,901			
Loss on sale/write off of fixed assets	485,426	1,432,983			
Provision for interest on Income tax	1,080,000	-			
Dividend income	(696,454)	(762,018)			
Provision for employee benefits	385,935	204,796			
Provision for diminution in value of investments	-	69,506,406			
Provision for diminution in value of investments no longer required	(22,715,602)	-			
Provision for write down in value of fixed assets	2,002,576	-			
Net profit on sale of long term investments	(14,620,472)	(53,377,281)			
Operating profit before working capital changes	132,157,167	88,891,907			
Increase in current liabilities	110,939,660	643,216			
Decrease / (Increase) in sundry debtors	115,672,712	(56,065,687)			
Increase in inventory	(137,694,901)	-			
Increase in advances and other current assets	(50,135,397)	(25,197,073)			
Other adjustments :					
Purchase of long term investments	(271,440,942)	(627,736,780)			
Sale of long term investments	252,232,002	753,524,025			
Loans granted	-	(50,000,000)			
Repayment of loans granted	50,000,000	151,433,546			
Interest received	30,321,847	44,862,295			
Interest paid	-	(1,295,901)			
Cash generated from operations	232,052,148	279,059,548			
Direct taxes paid (including fringe benefit tax)	(57,249,589)	(25,503,324)			
Net cash generated from operating activities	174,802,559	253,556,224			
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(7,407,699)	(1,192,371)			
Sale of fixed assets	-	97,830			
Dividend income	696,454	762,018			
(Decrease)/Increase in minority interest	(1,043,034)	19,974,624			
Goodwill on acquisition of stake in subsidiary	(1,153,205)	(87,456,747)			
Fixed Deposits placed - under lien	(13,950,000)	-			
Net cash generated used in investing activities	(22,857,484)	(67,814,646)			
C. CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings			-	(50,000,000)	
Proposed dividend			(10,000,000)	(20,611,518)	
Tax on proposed dividend			(1,699,500)	(3,399,000)	
Net cash used in financing activities			(11,699,500)	(74,010,518)	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)			140,245,575	111,731,060	
D. CASH AND CASH EQUIVALENTS					
As at the commencement of the year,					
as per Schedule E			(i)	199,407,925	87,676,865
As at the end of the year,					
as per Schedule E				353,603,500	199,407,925
Less: Fixed Deposits - under lien				13,950,000	-
			(ii)	339,653,500	199,407,925
NET INCREASE AS DISCLOSED ABOVE [(ii) - (i)]				140,245,575	111,731,060
Notes:					
1. The cash flows relating to Investment activities of the group are included under operating activities.					
2. Direct taxes paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.					
3. Previous year figures have been regrouped wherever necessary.					
In terms of our report attached.			For and on behalf of the Board of Directors		
For DELOITTE HASKINS & SELLS Chartered Accountants			Dr. B. SAMAL Executive Chairman		BIPIN AGARWAL Director
Z. F. BILLIMORIA Partner			CUMI A. BANERJEE CEO & Company Secretary		
Mumbai : 29th May, 2010			Mumbai : 29th May, 2010		

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.		As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "A"			SCHEDULE "B"		
SHARE CAPITAL			RESERVES AND SURPLUS		
Authorised:			Capital reserve	(i) 750	750
15,000,000 Equity shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>	Capital reserve on consolidation	(ii) 702,000	702,000
Issued, subscribed and paid-up:			General reserve:	(iii)	
10,000,000 Equity shares of Rs.10 each			Balance as per last balance sheet	159,891,058	158,591,058
fully paid-up	100,000,00	100,000,000	Add: Transferred from profit and loss		
			account	6,889,000	1,300,000
Total	<u>100,000,000</u>	<u>100,000,000</u>		<u>166,780,058</u>	<u>159,891,058</u>
			Special reserve (as per the RBI regulations)	(iv)	
			Balance as per last balance sheet	214,543,000	204,243,000
			Add: Transferred from profit and loss		
			account	27,556,000	10,300,000
				<u>242,099,000</u>	<u>214,543,000</u>
			Balance in Consolidated Profit and Loss		
			account	(v) 337,771,601	291,628,757
			Total	<u>747,353,409</u>	<u>666,765,565</u>

**SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET
SCHEDULE "C"
FIXED ASSETS**

ASSETS	COST			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st April, 2009	Additions during the year	Deductions during the year	As at 1st April, 2009	For the year	On deductions during the year	As at 31st March, 2010	As at 31st March, 2009
TANGIBLE								
Buildings	9,100,000	-	-	4,884,050	210,798	-	4,005,152	4,215,950
Improvement in lease hold premises	-	58,050	-	-	5,169	-	52,881	-
Furniture, fixtures & Office Equipment	8,655,277	1,548,672	5,709,545	6,908,057	703,915	5,466,950	2,349,382	1,747,220
Motor cars	1,558,676	1,114,474	-	887,336	462,348	-	1,323,466	671,340
Computers	32,969,221	3,503,165	29,781,379	32,386,195	1,270,254	29,538,548	2,573,106	583,026
INTANGIBLE								
Software	-	1,183,338	-	-	70,066	-	1,113,272	-
BSE Card	7,500,000	-	-	-	1,500,000	-	6,000,000	7,500,000
Total	59,783,174	7,407,699	35,490,924	45,065,638	4,222,550	35,005,498	17,417,259	14,717,536
Previous year	66,203,838	297,750	1,192,371	49,894,998	289,611	6,379,972	2,002,576	-

Less : Provision for write down in value of fixed assets



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "D"		
INVESTMENTS :		
Long term (at cost)		
Unquoted:		
Units of Mutual Fund, fully paid-up	82,153,768	70,530,972
Quoted:		
Equity shares, fully paid-up	229,648,581	207,441,964
Less: Provision for diminution in the value of investments	(46,790,804)	(69,506,406)
	182,857,777	137,935,558
(i)	265,011,545	208,466,530
Immovable property		
Cost as per last balance sheet	1,069,071	1,069,071
Less: Depreciation to-date	847,049	835,364
(ii)	222,022	233,707
Total (i)+(ii)	265,233,567	208,700,237
Aggregate amount of quoted investments [Market value Rs.122,554,940; (as at 31st March, 2009 : Rs. 56,271,781)]	182,857,777	137,935,558
Aggregate amount of unquoted investments	82,153,768	70,530,972
Immovable property	222,022	233,707
Total	265,233,567	208,700,237

SCHEDULE "E"

CURRENT ASSETS, LOANS AND ADVANCES

(a) Stock - in - trade		
Construction work-in-progress	137,694,901	-
	137,694,901	-
(b) Sundry debtors		
(unsecured, considered good):		
Outstanding for a period exceeding six months	9,074,236	12,670,176
Others	208,779	112,285,551
	9,283,015	124,955,727
(c) Cash and bank balances:		
Cash on hand	59,029	26,902
Cheques on hand	185,557	13,203,406
With Scheduled banks:		
- On Current account	76,509,622	34,717,295
- On Unpaid dividend account	3,271,287	2,704,217
- On Fixed deposit account		
[includes Rs.13,950,000 under lien; (as at 31st March, 2009 Rs. Nil)]	273,578,005	148,756,105
	353,603,500	199,407,925

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
(d) Other current assets		
(considered good, unless otherwise stated):		
Investment income receivable	393,272	68,720
Interest accrued on bank deposits	3,140,959	2,445,784
Interest accrued on loans to others	1,593,780	2,630,852
	5,128,011	5,145,356
Less: Provision for doubtful interest	(151,315)	(151,315)
	4,976,696	4,994,041
(e) Loans and advances		
(unsecured, considered good, unless otherwise stated):		
Loans [includes Rs.50,000,000; (as at 31st March, 2009: Rs.100,000,000) secured by way of pledge of shares]	182,610,131	232,610,131
Less: Provision for doubtful loans	(132,610,131)	(132,610,131)
	50,000,000	100,000,000
Advances recoverable in cash or in kind or for value to be received	17,735,976	37,468,431
Deposits with stock exchanges/clearing member	16,275,000	-
Contribution to SPV	53,268,300	-
Advance payment of income tax (net of provision)	23,661,670	34,199,902
Advance payment of fringe benefit tax (net of provision)	674	-
	160,941,620	171,668,333
Total	666,499,732	501,026,026

SCHEDULE "F"

CURRENT LIABILITIES AND PROVISIONS

(a) Current liabilities:		
Sundry creditors	97,329,966*	1,009,921
Rent received in advance	-	1,138,820
Security deposits	13,659,845	13,659,845
Advances received from customers	14,292,901	-
Other liabilities	990,568	92,104
Investor Protection and Education Fund shall be credited by the following amounts when due :		
Unclaimed dividends	3,271,287	2,704,217
	129,544,567	18,604,907
(b) Provisions:		
Proposed dividend	15,000,000	10,000,000
Tax on proposed dividend	2,491,500	1,699,500
Employee benefits	735,191	349,256
Provision for income tax (net of advance tax)	21,300,880	91,598
Provision for fringe benefit tax (net of advance tax)	58,592	159,648
	39,586,163	12,300,002
Total	169,130,730	30,904,909

* includes Rs.93,306,865 (Previous year : Rs. Nil) towards premium for development rights payable in half-yearly installments upto 9th March, 2017 to Greater Noida Industrial Development Authority, pursuant to the lease deed.



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOST ACCOUNT

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE "G"		
INTEREST :		
On deposits with banks	20,430,441	11,499,317
On loans	8,854,685	19,427,489
On income tax refund	694,824	837,007
Others	-	479,672
Total	29,979,950	32,243,485

SCHEDULE "H"

PERSONNEL EXPENSES

Salaries and bonus	18,158,969	6,552,805
Contribution to provident and other funds (See Note 8)	1,208,093	432,696
Staff welfare expenses	467,445	105,883
Total	19,834,507	7,091,384

SCHEDULE "I"

OPERATING AND OTHER EXPENSES

Rates and taxes	1,074,000	326,820
Rent	5,645,096	2,864,280
Travelling and conveyance	2,756,614	1,199,235
Insurance	83,616	22,522
Printing and stationery	479,083	298,070
Sub-contracting charges	-	900,000
Communication expenses	764,088	278,827
Electricity	855,914	686,353
Repairs and maintenance:		
- Buildings	1,360,537	1,450,827
- Computers	272,478	37,205
- Others	743,887	61,232
	2,376,902	1,549,264
Legal and professional fees	2,928,043	3,625,440
Directors' fees	1,132,500	626,500
Membership fees	3,914,531	206,407
Auditors' remuneration:		
- Audit fees	750,000	700,000
- Tax audit fees	25,000	-
- Other services	663,731	729,000
- Out of pocket expenses	-	6,345
- Service tax	142,656	160,757
	1,581,387	1,596,102
Interest on Income tax	1,080,000	2,802,160
Advertisement	1,933,908	577,394
Loss on sale of fixed assets	-	1,432,983
Brokerage and commission	1,193,448	-
Preliminary expenses	-	822,691
Business promotion expenses	357,297	-
Training expenses	441,168	-
Loss on write off of fixed assets	485,426	-
Miscellaneous	1,856,153	1,220,915
Total	30,939,174	21,035,963

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "J"

NOTES TO THE ACCOUNTS

(1) Basis of preparation:

- 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 subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March, 2010.
 - (iii) The excess of cost to the Company, of its investment in the subsidiaries over the Company's portion of equity is recognised in the financial statements as Goodwill.
 - (iv) The excess of the Company's portion of equity of the subsidiaries on the acquisition date over its cost of investment is treated as Capital Reserve.
 - (v) 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.
 - (vi) Net Profit for the year of the subsidiaries attributable to minorities is identified and adjusted against the Profit After Tax of the Group.
- b) The names of the Subsidiaries which are included in the consolidation are as given below :

Name of the Company	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Extent of holding (%)	Period of holding	Extent of holding (%)	Period of holding
Subsidiary Companies:				
(i) IIT Investrust Limited (IITIL)	99	Throughout the year	99	Throughout the year
(ii) IIT Insurance Broking and Risk Management Private Limited	100	Throughout the year	100	Incorporated during the year w.e.f. 25.09.2008
(iii) Indo Green Projects Limited (IGPL)	70.47 71.74	Opening Balance 1.26% acquired in small lots	70.47	W.e.f. 04.08.2008

All the subsidiary companies are incorporated in India.



SCHEDULE "J" (Contd..)

NOTES TO THE ACCOUNTS

(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:**
- (a) Interest on all lending such as inter corporate deposits, finance against securities and fixed deposits are accounted on accrual basis.
- (b) Dividend is accounted when the right to receive payment is established and known.
- (c) Fees from consultancy or advisory services and real estate related activities are accounted as per the terms of contract with the customers.
- (d) Net income from trading of securities is accounted for on the basis of Stock Brokers Contract Notes.
- (e) Brokerage income from stock broking activities is on the basis of Contract Notes issued.
- (f) Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.
- (iii) **Inventories :**
Inventories are valued at lower of cost and net realisable value. Construction work in progress comprises premium for development rights and expenditure relating to construction.
- (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, except in respect of IITIL where depreciation is provided on straight line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (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. No depreciation is provided on deletions to fixed assets in the year of sale.
- (d) BSE card is amortised over a period of ten years on straight line method.
- (e) Computer software has been amortised on straight line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (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) **Equity derivative instruments**
Profit/loss on equity derivative instruments (such as future and options contracts) all of which are squared-up during the year, are recognised in the Profit and Loss Account.
- (viii) **Taxation:**
Tax expense comprises current, deferred and fringe benefit tax. Current tax and fringe benefit tax are 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 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 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.
- (ix) **Provisions:**
A provision is recognised when an enterprise has a present obligation as a result of past event 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 are not discounted to their present values and are determined based on management 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 management estimates.
- (x) **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.
- (xi) **Employee Benefits:**
- (a) **Short term employee benefits:**

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (b) **Long term employee benefits:**
- (i) **Defined Contribution Plan:**
The eligible employees of the Parent Company and its



subsidiary namely Indo Green Projects Limited (IGPL) are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Parent Company and IGPL make 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 Parent Company and IGPL have no further obligation beyond making the contribution. The contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

(ii) Defined Benefit Plan:

1. Gratuity

The Parent Company and its subsidiary namely Indo Green Projects Limited have 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 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 Profit and Loss Account.

2. Compensated absences

The Parent Company and its subsidiary namely Indo Green Projects Limited provide 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 Parent Company and IGPL make 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 profit and loss account.

(xii) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

(xiii) Operating Lease:

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

31st March, 2010	31st March, 2009
Rs.	Rs.

(3) Contingent liabilities not provided for in respect of:

(a) Disputed income-tax matters in appeal	24,906,121	24,906,121
(b) Disputed wealth-tax matters in appeal	3,250,246	3,250,246
(c) Claim not acknowledged as debt	340,000	-

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

- (4) The group has taken office premises on lease. The lease term is on the basis of the agreement entered into with the landlord. The agreement provides for increase in rent. There are no restrictions imposed by the lease arrangement. There are no sub leases. The lease rental expense recognised in the profit and loss account for the year Rs. 1,617,368/- (Previous Year: Rs. Nil)

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

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
Not later than one year	2,605,844	-
Later than one year but not later than five years	5,833,263	-
Later than five years	367,870	-
Total	8,806,977	-

(5) (i) Deferred taxes :

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Assets	Liabilities	Assets	Liabilities
(a) Depreciation	233,164	1,664,923	(35,392)	1,557,624
(b) Expenses U/s 35D	-	21,257	(21,257)	-
(c) Carry forward losses	-	-	7,358,825	-
(d) Items covered under section 43B Employee Benefits	74,898	(174,993)	-	-
Total	308,062	1,511,187	7,302,176	1,557,624

- (ii) MAT credit of Rs. 40,059,107/- (Previous Year Rs. 15,124,107/-) is not recognised as an asset as the Parent Company has carried forward business losses.

- 6) Basic earnings per share has been calculated by dividing profit after tax and after minority interest 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

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
(a) Numerator: Profit after tax (Rs.)	97,879,035	89,136,600
(b) Denominator : Weighted average number of equity shares	10,000,000	10,000,000
(c) Basic, as well as Diluted, earnings per equity share (in Rs.)	9.79	8.91

(7) Related party disclosures:

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

Key management personnel: Holding Company
Dr. B. Samal, Executive Chairman
IITIL, a Subsidiary Company
V. Ramesh, Executive Director
(upto 4th May, 2009)
Murugan Viswanathan,
Executive Director
B. C. Maheshwari,



Executive Director
IGPL, a Subsidiary Company
T. M. Nagarajan,
Executive Chairman
Usha Singhania,
Managing Director
(upto 4th August, 2008)

Companies in which directors
have significant influence :

N.N. Financial Services Private
Limited
NCJ International Limited
Detco Polyesters Private Limited
(upto 4th August, 2008)

(ii) Transactions with related parties :

Sr. No.	Nature of transactions	Key management personnel	Companies in which directors have significant influence
(l)	Volume of transactions:	Rs.	Rs.
(i)	Loans Given		
	- NCJ International Limited	-	16,000,000
		(-)	(-)
	Detco Polyesters Private Limited	-	-
		(-)	(2,500,000)
(ii)	Refund of loans given		
	- NCJ International Limited	-	16,000,000
		(-)	(-)
	Detco Polyesters Private Limited	-	-
		(-)	(2,500,000)
(iii)	Refund of loan taken		
	- N. N. Financial Services Pvt. Ltd.	-	-
		(-)	(50,000,000)
(iv)	Interest income		
	-NCJ International Limited	-	342,356
		(-)	(-)
(v)	Interest Expenses		
	-N.N. Financial Services Pvt. Ltd.	-	-
		(-)	(1,295,901)
(vi)	Sub-contracting charges paid		
	- NCJ International Limited	-	-
		(-)	(900,000)
(vii)	Remuneration		
	- Dr. B. Samal	2,352,000	-
		(-)	(-)
	- T.M Nagarajan	1,680,000	-
		(-)	(-)
	- V. Ramesh	15,513	-
		(164,880)	(-)
	- Murugan Viswanathan	1,729,443	-
		(689,516)	(-)
	- B. C. Maheshwari	300,000	-
		(137,903)	(-)
(viii)	Sale of Shares		
	- Usha Singhania	-	-
		(3,229,000)	(-)

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

**SCHEDULE "J" (Contd.)
NOTES TO THE ACCOUNTS**

(8) Employee Benefits

A. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Consolidated Profit and Loss Account under Contribution to provident fund and other funds in Schedule "H" for the year are as under :

	31st March, 2010 Rs.	31st March, 2009 Rs.
Employer's contribution to Regional Provident Fund Commissioner	701,190	255,511
Employer's contribution to Family Pension Fund	242,408	62,088

B. Defined Benefit Plan

Gratuity Plan :

	Gratuity (funded) 31st March, 2010 Rs.	Gratuity (unfunded) 31st March, 2009 Rs.	Gratuity (funded) 31st March, 2009 Rs.
i. Reconciliation of opening and closing balances of Defined Benefit Obligation			
Present value of Defined Benefit Obligation as at the beginning of the year	301,389	-	146,473
Interest Cost	21,097	-	10,253
Current Service Cost	202,537	162,220	86,318
Benefits paid	-	-	-
Net Actuarial Loss	46,798	(80,487)	58,345
Present value of Defined Benefit Obligation as at the end of the year	571,821	81,733	<u>301,389</u>
ii. Reconciliation of fair value of Plan Assets			
Fair value of Plan Assets as at the beginning of the year	564,964	N.A.	525,128
Expected return on Plan Assets	45,186	N.A.	39,836
Net Actuarial Gain / (Loss)	-	N.A.	-
Employer's Contribution	230,644	N.A.	-
Benefits paid	-	N.A.	-
Fair value of Plan Assets as at the end of the year	840,794	N.A.	<u>564,964</u>

The Parent Company expects to contribute Rs. 215,000 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:

Funds maintained with Life Insurance Corporation of India	100%	-	100%

Note: The Parent 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	(571,821)	(81,733)	(301,389)
Fair value of Plan Assets	840,794	N.A.	564,964
Net assets recognised in the Balance Sheet	268,973	(81,733)	263,575
iv. Components of Employer's Expenses			
Current Service Cost	202,537	162,220	86,318
Interest Cost	21,097	-	10,253
Expected return on Plan Assets	(45,186)	N.A.	(39,836)
Net Actuarial Loss	46,798	(80,487)	58,345
Total expense recognised in the Profit and Loss Account in Schedule "H" under:	225,246	81,733	115,080
	<small>Contribution to provident fund and other funds</small>		
Actual return on Plan Assets	45,186	-	39,836

v. Actuarial Assumptions

Mortality Table	<small>LIC (1994-96) (Ultimate)</small>		
Discount rate	7%	8%	7%
Expected rate of return on Plan Assets	8%	N.A.	7.6%
Salary escalation	5%	5%	5%

- 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:

	31st March, 2010	<small>Gratuity</small> 31st March, 2009	31st March, 2008
	(Rs.)	Rs	Rs.
1. Present Value of Defined Benefit Obligation	653,554	301,389	146,473
2. Fair Value of Plan Assets	840,794	564,964	525,128
3. Funded Status [Surplus]	187,240	263,575	378,655
4. Net Asset	187,240	263,575	378,655
5. Experience adjustment arising on:			
a. Plan Liabilities [Loss]	46,798	58,345	14,599
b. Plan Assets [Loss]	5,639	3,060	6,435

Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by The Companies (Accounting Standards) Rules, 2006 requires the disclosure of the above information for the past four years; however the information is available only for past two years since the date of implementing the Standard.

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

Note : The unfunded figures above pertain to subsidiary namely Indo Green Projects Limited.



**SCHEDULE "J" (Contd.)
NOTES TO THE ACCOUNTS**

(9) Segment information:
Primary segments - Business segments

Rs.

		2009-2010					2008-2009				
		Investment activities (Note below)	Consultancy Services	Brokerage Services	Eliminations	Total	Investment activities (Note below)	Consultancy Services	Brokerage Services	Eliminations	Total
A.	REVENUE										
1.	External Revenue	88,307,719	156,290,000	2,051,255	-	246,648,974	102,493,679	93,309,719	3,019,047	-	198,822,445
2.	Inter-segment revenue	116,943,166	-	-	116,943,166	-	45,612,027	25,312,500	-	70,924,527	-
3a.	Interest income (unallocated)					2,253,974					2,094,335
3b.	Unallocated income					89,017					847,479
3c.	Total 3a+3b					2,342,991					2,941,814
	Total revenue					248,991,965					201,764,259
B.	RESULTS										
1.	Segment result	63,908,581	142,572,086	(12,977,126)	-	193,503,541	22,190,645	89,909,925	1,497,665	-	113,598,235
2.	Unallocated expenses					3,865,059					14,978,745
3.	Interest expense					-					-
4.	Income (referred in A 3c above)					2,342,991					2,941,814
5.	Profit before tax					191,981,473					101,561,304
6.	Provision for taxation					(94,763,049)					(12,049,163)
	Profit after tax (before adjusting minority interest)					97,218,424					89,512,141
C.	OTHER INFORMATION										
1.	Segment assets	912,821,818	249,869,539	71,701,231	318,605,281	915,787,307	678,729,276	78,666,447	30,941,769	138,926,834	649,410,658
2.	Goodwill on consolidation					88,810,261					87,456,747
3.	Investments					-					-
4.	Deferred tax asset					308,062					7,302,176
5.	Advance payment of income-tax (net of provisions)					23,662,344					34,199,902
6.	Miscellaneous expenditure (to the extent not written off)					-					-
7.	Other unallocated assets					7,698,331					40,833,239
8.	Total assets					1,036,266,305					819,202,722
9.	Segment liabilities	35,553,249	110,962,386	1,695,821	440,198	147,771,258	15,545,320	466,363	44,316	-	16,055,999
10.	Share capital and reserves					847,353,409					766,765,565
11.	Minority Interest					18,270,979					19,974,624
12.	Deferred tax liability					1,511,187					1,557,624
13.	Provision for income-tax/ fringe benefit tax (net of advance)					21,359,472					251,246

SCHEDULE "J" (Contd.)
NOTES TO THE ACCOUNTS

(Rs.)

	2009-2010					2008-2009				
	Investment activities (Note below)	Consultancy Services	Brokerage Services	Eliminations	Total	Investment activities (Note below)	Consultancy Services	Brokerage Services	Eliminations	Total
14. Other unallocated liabilities					-					14,597,664
15. Total liabilities					1,036,266,305					819,202,722
16. Cost incurred during the period to acquire Segment assets	45,905	736,673	6,625,121	-	7,407,699	1,009,255	126,716	56,400	-	1,192,371
17. Depreciation	750,994	222,636	3,260,605		4,234,235	966,335	50,994	255,972	-	1,273,301
18. Material Non-cash expenditure other than depreciation - Provision for diminution in value of assets	2,002,576	-	-	-	2,002,576	69,506,406	-	-	-	69,506,406

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 includes investments as the operations of the segment are primarily of a financial nature.

(10) The figures relating to the previous year have been regrouped wherever necessary.

Signatures to Schedules "A" to "J"

For and on behalf of the Board of Directors

CUMI A. BANERJEE
CEO & Company Secretary

Dr. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

Mumbai : 29th May, 2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES**

1) Name of the Subsidiary Companies	IIT Investrust Limited	IIT Insurance Broking and Risk Management Private limited	Indo Green Projects Limited
2) The financial year of the Subsidiary Companies ended on	31 March 2010	31 March 2010	31 March 2010
3) a) Number of shares held by Industrial Investment Trust Limited in the subsidiaries as at the end of financial year of the subsidiaries companies	12,375,000.00	2,500,000.00	3,580,347.00
b) Extent of interest of Industrial Investment Trust Limited in the capital of Subsidiaries Companies as at the end of the financial year of the subsidiaries companies	99.00	100.00	71.74
4) The net aggregate amount, so far as it Concerns members of Industrial Investment Trust Limited and is not dealt in the Company's accounts, of the subsidiary's profit /(losses)after deducting losses			
a) for the subsidiary financial year ending 31st March, 2010	899.97	(105.73)	(55.22)
b) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	(868.96)	(6.41)	7.82
5) The net aggregate amount of the profits of the subsidiary after deducting losses so far as those, profits are dealt with in the books of accounts of Industrial Investment Trust Limited's accounts			
a) for the subsidiary financial year ending 31st March, 2010.	Nil	Nil	Nil
b) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	9.93	Nil	Nil

Dr. B. SAMAL
Executive Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 29th May, 2010

**GROUP FINANCIAL HIGHLIGHTS : A TEN YEAR REVIEW**

(Rs. in Lacs)

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Dividend & Interest	22.65	67.30	18.42	67.59	99.77	149.53	255.93	182.01	146.45	123.96
Lease/Hire Purchase Income	-	-	-	-	-	0.16	4.32	5.00	5.83	26.93
Service charges	15.19	281.25	-	1.15	1.03	34.77	110.31	218.63	332.35	580.23
Finance & Commitment charges	282.45	296.15	279.13	58.72	21.80	5.51	5.92	27.82	63.26	53.57
Net profit on sale of Investments	146.20	533.77	(219.65)	(518.12)	7,115.34	1,952.51	487.76	415.68	334.92	363.49
Other Income	1506.37	592.88	1643.82	268.86	125.30	154.67	179.48	776.29	172.84	250.28
Total Income	1,972.86	1,771.35	1,721.72	(121.79)	7,363.24	2,297.15	1043.72	1625.43	1055.65	1398.46
Management expenses & Interest	346.83	1166.68	265.79	1458.99	974.81	3,350.14	1020.40	1683.37	911.43	1527.84
Depreciation	22.79	9.84	9.70	40.23	27.39	34.00	57.89	63.75	92.20	100.46
Profit/(Loss) before tax	1,603.24	594.83	1,446.23	(1,621.01)	6,361.04	(1,086.99)	(34.57)	(121.69)	52.02	(229.84)
Profit/(Loss) after tax	1272.02	506.77	1283.53	(1623.11)	6,082.84	(1,089.91)	(61.96)	(121.42)	78.03	(241.87)
Shareholders' funds	8329.82	7032.71	6592.93	4869.89	6,727.00	872.20	1962.57	2221.94	2540.79	2531.12
Investments	4850.62	3476.27	3506.29	6408.11	10,230.20	680.20	1308.40	1719.81	2489.68	2423.34
Dividend % (recommended/paid by Industrial Investment Trust Ltd.)	15.00	10.00	20.00	20.00	20.00	-	17.50	17.50	20	20

* On increased capital after issue of bonus shares in proportion of 1:1
"Group" means the Company and its 100% subsidiary.

**Additional Financial information of subsidiaries for the year ended on 31st March, 2010***

		IIT Investrust Limited (Amount in INR)	Indo Green Projects Limited (Amount in INR)	IIT Insurance Broking and Risk Management Private Limited (Amount in INR)
A	Capital			
	- Stock Holders Equity	125,000,000	50,079,000	25,000,000
	- Preferred Stock	-	-	-
B	Reserves and Surplus	(20,144,085)	10,883,661	(11,213,940)
C	Total Assets	135,355,562	251,925,047	14,513,997
D	Total liabilities	30,499,647	190,962,386	727,937
E	Details of Investments (Except in case of investment in subsidiaries)	-	-	-
F	Turnover	162,744,298	5,904,225	1,796,073
G	Profit before Taxation	151,543,557	(5,425,255)	(10,767,363)
	Provision for Taxation	51,500,000	-	-
	Provision for deferred tax liabilities	7,546,062	(116,700)	(194,292)
	Income tax adjustment for prior years	2,500,000	213,690	-
H	Profit after Taxation	89,997,495	(5,522,245)	(10,573,071)
I	Proposed Dividend	-	-	-

* Pursuant to letter of approval from Ministry of Corporate Affairs



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 if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 77th ANNUAL GENERAL MEETING of the Company at M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai - 400 001 on Friday, September 17, 2010 at 3.30 p.m.

Full Name of the sole / first holder

DP. Id :

Client Id / Folio No. :

No. of Shares held :

Member's / Proxy's Signature
(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 of

as my Proxy to attend and vote for me on my behalf at the 77th ANNUAL GENERAL MEETING of the Company to be held on Friday, September 17, 2010 at 3.30 p.m. and at any adjournment thereof.

Signed this Day of 2010

Place

Affix
1 Rupee
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.