

**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.

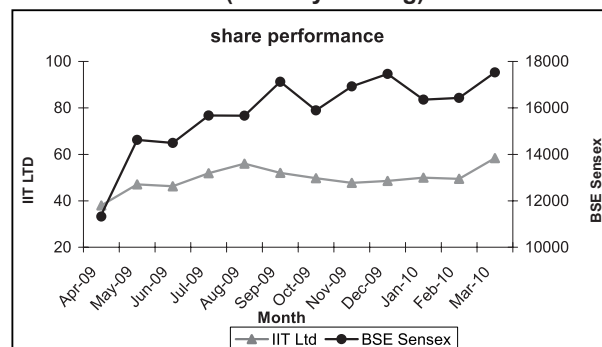
- f) **Stock Code at BSE** : 501295

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