



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

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

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

NI - Non Independent Director

I - Independent Director

NE - Non-Executive Director

E - Executive Director

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

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

Board Meetings and Annual General Meeting

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

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

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

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

3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors:

a) Audit Committee:

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

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

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

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

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

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

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

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

b) Remuneration Committee (Non-Mandatory):

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

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

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

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

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

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

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

The Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on August 01, 2013, increased the remuneration payable to Dr. B. Samal, Executive Chairman, with effect from August 01, 2013 to January 23, 2016, being the remaining period of his term. The increase in remuneration is within the limits prescribed under Schedule XIII of the Companies Act, 1956. The shareholders accorded their approval in the Annual General Meeting of the Company held on September 07, 2013.

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

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

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

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

Sitting Fees

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

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

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

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

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

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

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

Mr. R.S. Loona - Non Executive Director - Chairman

Dr. B. Samal - Member

Mr. P.K. Rath - Member

This Committee:

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

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

- Name and designation of Compliance Officer: Ms. Cumi Banerjee
CEO & Company Secretary

- No. of shareholders complaints received 5

- No. of complaints not resolved to the satisfaction of the shareholders Nil

- Pending complaints as on 31.03.2014 Nil

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

d) **Committee for Investments / Loans and Risk Management**

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

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

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

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

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

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

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

e) **Asset Liability Management Committee**

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

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

4. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management Discussion and Analysis

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

Subsidiary Companies

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

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

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

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

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

Disclosures - Related party transactions

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

Disclosure of Accounting Treatment

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

Disclosure on Risk Management

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

Code of Conduct

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

CEO / CFO Certification

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

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

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

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

6. GENERAL BODY MEETINGS

Location and time where last three AGMs were held:

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

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

7. OTHER DISCLOSURES:

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

8. MEANS OF COMMUNICATIONS

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

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

9. GENERAL SHAREHOLDER INFORMATION**a) Annual General Meeting**

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

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

b) Financial Calendar : 2014-2015

Adoption of Quarterly Results for

Quarter ending In the month of

(Tentative)

June 2014 : On or before August 14, 2014

September 2014 : On or before November 14, 2014

December 2014 : On or before February 14, 2015

March 2015 : On or before May 30, 2015
(Audited annual results)

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

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

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

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

f) Stock Code at BSE : 501295

NSE Stock Symbol : IITL

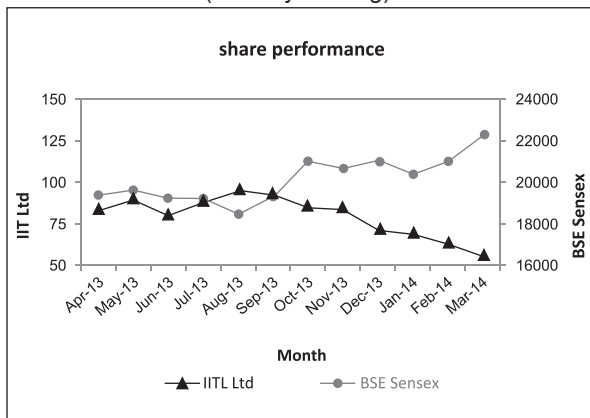
g) Stock price data at the BSE and NSE

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

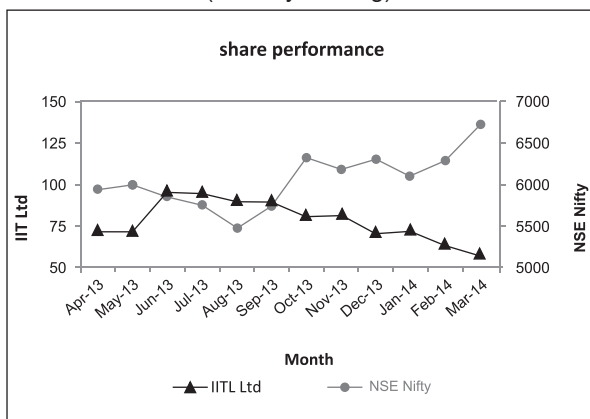
* There was no trading during the month

h) Graph

Share Price / BSE (Monthly Closing)



Share Price / NSE (Monthly Closing)



i) Registrar and Transfer Agents

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

j) Share Transfer System

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

k) Distribution of shareholding as on March 31, 2014

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

Shareholding pattern as on March 31, 2014

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

l) Dematerialisation

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

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

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

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

n) Plant Location

The Company does not have a manufacturing plant.

o) Address for Correspondence

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

Address of the Registrar & Share Transfer Agents

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

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

Address of Registered Office

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

Contact Person

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

Auditors' Certificate on Corporate Governance

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

Declaration on Compliance with Code of Conduct

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

On behalf of the Board of Directors

Dr. B. Samal
Chairman
(DIN: 00007256)

Place : Mumbai
Date: July 25, 2014