

**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	11	5	3
2	Mr. Bipin Agarwal	NI / NE Promoter	8	2	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	3	3	1
6	Mr. Venkatesan Narayanan	I / NE	1	2	Nil
7	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.

^ 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 2010-2011, 9 Board Meetings were held i.e., on April 15, 2010, May 29, 2010, July 20, 2010, September 17, 2010,

October 20, 2010, October 27, 2010, December 20, 2010, January 08, 2011 and February 03, 2011 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	9	Yes
Mr. Bipin Agarwal	8	Yes
Mr. T.M. Nagarajan	9	Yes
Mr. R.K. Mittal	9	Yes
Mr. R.S. Loona	9	Yes
Mr. Venkatesan Narayanan	8	Yes
Mr. P.K. Rath	3	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 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 April 15, 2010, May 29, 2010, July 20, 2010, October 20, 2010 and February 3, 2011.

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	Chairman	5
Mr. T.M. Nagarajan	Member	5
Mr. R.S. Loona	Member	5
Mr. P.K. Rath	Member	2

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):**

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.

No meeting of the Remuneration Committee was held during the year under review.

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

Remuneration Committee Members	Status
Mr. P.K. Rath	Chairman
Mr. T.M. Nagarajan	Member
Mr. R.K. Mittal	Member
Mr. R.S. Loona	Member

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 three years with effect from April 1, 2009.

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

Details of remuneration to the Executive Chairman for the year 2010-2011 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/-

Details of remuneration to Non-Executive Directors for the year 2010-2011 are given below:

**Sitting Fees**

Name	Board Meetings	Committee Meetings	Total
	Rs.	Rs.	Rs.
Mr. Bipin Agarwal	1,20,000	15,000	1,35,000
Mr. T.M. Nagarajan	1,35,000	52,500	1,87,500
Mr. R.K. Mittal	1,35,000	82,500	2,17,500
Mr. R.S. Loona	1,35,000	82,500	2,17,500
Mr. Venkatesan Narayanan	1,20,000	Nil	1,20,000
Mr. P.K. Rath	45,000	22,500	67,500
<b>Total</b>	<b>6,90,000</b>	<b>2,55,000</b>	<b>9,45,000</b>

During the year, the Non-Executive Directors are paid sitting fees at the rate of Rs.15,000/- for attending each meeting of the Board and Rs.7,500/- 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, 2011.

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

**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 was re-constituted on April 15, 2010. The committee as on March 31, 2011 consists of 4 members, namely:

Mr. R.K. Mittal	- Non Executive Director - Chairman
Dr. B. Samal	- Member (ceased w.e.f. 15.04.2010)
Mr. T.M. Nagarajan	- Member
Mr. R.S. Loona	- Member
Mr. P.K. Rath	- Member

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, 6 meetings were held. Transfer formalities have been attended at least once in a fortnight.

- Name and designation : Ms. Cumi Banerjee  
of Compliance Officer : CEO & Company Secretary
- No. of shareholders : 16  
complaints received
- No. of complaints not : Nil  
resolved to the satisfaction of the shareholders
- Pending complaints : Nil  
as on 31.03.2011

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, 2011 consists of 3 members, namely:

Dr. B. Samal	- Chairman
Mr. Bipin Agarwal	- Member
Mr. T. M. Nagarajan	- Member

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.

During the year under review, the Risk Management Committee met twice on April 15, 2010 and October 20, 2010 to review risk assessment and minimisation procedures.

#### 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 Investtrust Limited (material subsidiary). Further, Mr. R.S. Loona has been inducted as Director of IIT Insurance Broking and Risk Management Private Limited and IIT Media and Entertainment Private Limited (non-material subsidiaries).

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

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 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 30, 2011.

#### 5. GENERAL BODY MEETINGS

Location and time where last three AGMs were held :

Sr. No.	Date	Location	Time	Special Resolution passed
1	September 17, 2010	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.30 p.m.	1) Alteration of Articles of Association of the Company 2) Approval under Section 81(1A) of the Companies Act, 1956
2	August 28, 2009	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.00 p.m.	Nil
3	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

During the year under review, the members of the Company passed the following special resolution through postal ballot:

- Special Resolution for Approval under Section 81(1A) of the Companies Act, 1956 for raising of funds through QIP or through FPO, ADRs, GDRs, FCCBs, and / or convertible bonds, convertible debentures, or a combination of one or more of the above methods.

Ms. Chandanbala Jain, Practicing Company Secretary, was appointed as the scrutinizer for conducting the Postal Ballot and based on the report, the postal ballot results were declared.

The details of postal ballot procedure, voting process is as under:

The Board of Directors of the Company at their meeting held on January 08, 2011 approved the postal ballot notice, form and calendar of events. The postal ballot notice along with



postal ballot form and self-addressed pre-paid postage envelope were sent to the shareholders on January 18, 2011. The last date for receipt of the postal ballot form from the shareholders was February 17, 2011.

Ms. Chandanbala Jain, Practicing Company Secretary submitted her report on February 19, 2011 to the Chairman and based on the said report, results of Postal Ballot were declared on February 21, 2011

## 6. OTHER DISCLOSURES:

- There were no materially significant transactions with the related parties during the year, which had or could have potential conflict with the interests of the company at large. Transactions with the related parties are disclosed in Note Number 5 of Schedule J to the accounts in the Annual Report.
- 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.
- There are no inter-se relationships between Directors of the Company.

## 7. MEANS OF COMMUNICATIONS

- Quarterly and Annual financial results of the company are forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and published in Free Press Journal (English) and Navshakti (Marathi). Half yearly report is not sent to each household of shareholders. However, the results of the company are published in the Newspapers.
- The Company has not made any presentation to any institutional investors or to any analysts during the year.
- All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.
- The Company has launched its website [www.iitlgroup.com](http://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 website [www.corpfiling.co.in](http://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.

## 8. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date & Time : Saturday, September 10, 2011 at: 3.00 p.m.

Venue : M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

### b) Financial Calendar : 2011-2012

Adoption of Quarterly Results for

Quarter ending	In the month of
June 2011	: July / August 2011
September 2011	: October / November 2011
December 2011	: January / February 2012
March 2012	: May 2012

(Audited annual results)

c) Dividend Payment Date : On or before October 9, 2011

d) Book Closure period : September 3, 2011  
September 10, 2011

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

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

f) Stock Code at BSE : 501295

NSE Stock Symbol : IITL

### g) Stock price data at the NSE and BSE

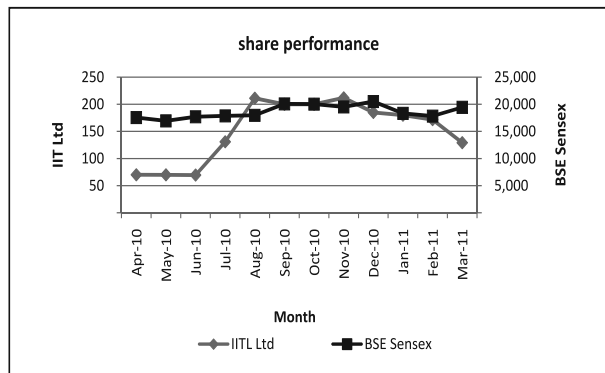
Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	N.A.	N.A.	89.70	57.00
May, 2010	N.A.	N.A.	70.00	55.35
June, 2010	N.A.	N.A.	81.10	59.00
July, 2010	N.A.	N.A.	136.00	68.20
August, 2010 *	229.25	182.90	230.00	128.25
September, 2010	227.00	190.00	233.90	191.00
October, 2010	210.00	200.00	210.00	200.00
November, 2010	288.75	210.00	287.10	200.00
December, 2010	274.00	204.45	252.00	180.00
January, 2011	199.00	177.65	202.95	154.05
February, 2011	180.00	149.35	193.90	171.80
March, 2011	174.10	136.00	169.90	128.75

\* The shares of the company were listed on National Stock Exchange (NSE) from August 17, 2010

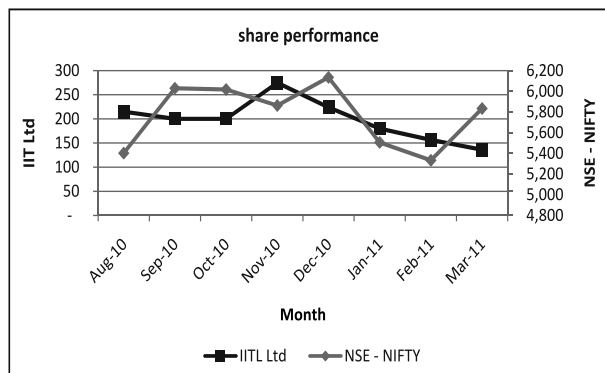


**h) Graph**

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.: 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, 2011**

Grouping of Shares	No. of Share-holders	% of total Share-holders	No. of Shares per Category	% of total shares
1 – 500	1657	73.55	2,82,530	2.83
501 – 1000	237	10.52	2,07,217	2.07
1001 – 2000	142	6.30	2,28,980	2.29
2001 – 3000	81	3.60	2,10,198	2.10
3001 – 4000	25	1.11	89,515	0.89
4001 – 5000	35	1.55	1,71,540	1.72
5001 – 10000	41	1.82	3,00,938	3.01
10001 – 10000000	35	1.55	85,09,082	85.09
<b>TOTAL</b>	<b>2253</b>	<b>100.00</b>	<b>1,00,00,000</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2011**

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	65,51,387	65.51
Foreign Company	-	-	-
Non Resident (Individual & Companies)	33	91,111	0.91
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	2,094	15,67,291	15.67
Clearing Member	19	16,520	0.17
Trust	5	45,500	0.46
Other bodies corporate	74	3,28,530	3.29
<b>TOTAL</b>	<b>2253</b>	<b>1,00,00,000</b>	<b>100.00</b>

**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, 2011, a total of 90,09,839 shares, which form 90.10 % of the share capital of the Company stands dematerialized and 9,90,161 shares which form 9.90% of the share capital are in physical form.



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

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

**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.: 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, 2<sup>nd</sup> Floor,  
28, Bombay Samachar Marg,  
Fort, Mumbai – 400 001

**Contact Person**

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

**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**  
Chairman

Place : Mumbai  
Date: July 27, 2011