

INDUSTRIAL INVESTMENT TRUST LIMITED



IIT GROUP

Annual Report 2007-2008

CONTENTS

Board of Directors	1
Notice	2 – 5
Directors' Report	6 – 8
Management Discussion and Analysis	9 – 10
Report on Corporate Governance	11– 15
Auditors' Report on Corporate Governance	16
Auditors' Report	17 – 19
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22 – 23
Schedules	24 – 39
Summary of Investments	40 – 43
Consolidated Financial Statements	44 – 55
Statement Pursuant to Section 212	56
Group Financial Highlights	57
Reports & Accounts of Subsidiary Company	58 – 68

Shareholders are requested to bring the copy of the Annual Report alongwith them to the General Meeting

INDUSTRIAL INVESTMENT TRUST LIMITED

BOARD OF DIRECTORS	:	DR. B. SAMAL	-	<i>Chairman</i>
		MR. BIPIN AGARWAL		
		MR. SWARAN SINGH		
		MR. T.M. NAGARAJAN		
		MRS.THANKOM MATHEW	-	<i>Nominee of LIC of India</i>
		MRS. CUMI BANERJEE	-	<i>Vice President (Legal) & Company Secretary</i>
BANKERS	:	Axis Bank Limited		
		ICICI Bank Limited		
		Union Bank of India		
		IndusInd Bank Ltd.		
AUDITORS	:	A.F. Ferguson & Co.		
		Deloitte Haskins & Sells (proposed to be appointed for F.Y. 2008-2009)		
REGISTRAR & SHARE TRANSFER AGENTS	:	Intime Spectrum Registry Limited		
		C - 13, Pannalal Silk Mills Compound		
		L.B.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 Fifth 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 Saturday, September 27, 2008 at 3.00 p.m.** to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 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, 2008.

Special Business :

3. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of M/s. A.F. Ferguson & Co., Chartered Accountants to examine and audit the accounts of the Company for the financial year 2008-2009, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

4. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Bipin Agarwal, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Swaran Singh, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be

and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. B. Samal, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider, and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. T.M. Nagarajan, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider, and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 309 (4) and other applicable provisions of the Companies Act, 1956 the consent of the shareholders be given for payment of remuneration to the Non-Executive Directors of the Company in the form of monthly remuneration or commission as the Board of Directors may decide from time to time subject to ceilings provided under the Companies Act 1956 and subject to approval of the Central Government or any other statutory approval as may be required for giving effect to this resolution.”

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

Cumi Banerjee
Vice President (Legal) &
Company Secretary

Mumbai : June 30, 2008

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 Saturday, September 20, 2008 to Saturday, September 27, 2008 (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 26, 2008 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 19, 2008 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 19, 2008.
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. Intime Spectrum Registry 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 their 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 September 8, 2007 for the year ended March 31, 2000 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 2000-01 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 at the
forthcoming Annual General Meeting
[In pursuance of Clause 49 of the Listing Agreement]**

Name of the Director	Mr. Bipin Agarwal	Mr. Swaran Singh	Dr. B. Samal	Mr. T.M. Nagarajan
Date of Birth	1.11.1965	10.2.1954	2.3.1943	14.9.1942
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	8.1.2008	8.1.2008	5.3.2008	5.3.2008
Qualifications	B.Com, ACS	Under Graduate	M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune	M.Com, CAIIB
Expertise in specific functional areas	He has around 14 years of experience in the areas of Portfolio Management, Finance and matters related to Corporate Laws, Mergers and Acquisitions, Operations in Capital and Commodities Market.	He is a Business entrepreneur having vast experience in manufacturing and marketing field particularly in automobile industry. He is also engaged in the business of Pharmaceuticals and Exports of tea and coffee.	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 DBI, he was appointed as a Whole Time Member of Exchange Securities Board of India. At present, he is a free lance Management Consultant.
Directorships held in other companies (excluding private and foreign companies)	1. Nimbus (India) Limited 2. NCJ International Limited 3. Homline Services Limited 4. NRI Commodity Services Limited 5. Urvashi Finvest Limited 6. IIT Investrust Limited	1. Nimbus (India) Limited 2. Urvashi Finvest Limited 3. IIT Investrust Limited	1. Jaiprakash Associates Limited 2. Surana Industries Limited 3. Zicom Electronic Security Systems Ltd. 4. Jaiprakash Power Venture Limited 5. Mayfair Hotels and Resorts Limited 6. Shriram Life Insurance Company Limited 7. Karn Merchant Bankers Limited 8. Microsec Financial Services Limited 9. ARSS Infrastructure Projects Limited 10. IIT Investrust Limited	1. Indbank Merchant Banking Services Ltd. 2. Karn Merchant Bankers Ltd. 3. IIT Investrust Ltd.
Committee position held in other companies	1. Audit Committee of IIT Investrust Limited	1. Audit Committee of IIT Investrust Limited	1. Audit Committee of ARSS Infrastructure Projects Limited 2. Remuneration Committee of Jaiprakash Associates Limited 3. Audit Committee of Mayfair Hotels and Resorts Limited 4. Audit Committee of Shriram Life Insurance Company Limited 5. Audit Committee of IIT Investrust Limited	1. Audit Committee of Indbank Merchant Banking Services Limited 2. Audit Committee of IIT Investrust Limited
Shareholding of non-executive directors	25,000	25,000	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 3

Appointment of Statutory Auditors

The Company's current Auditors M/s. A.F. Ferguson & Co. do not wish to seek re-appointment as Statutory Auditors of the Company and have stated that they are now a part of M/s Deloitte Haskins & Sells (DHS). In view of the same and based on the recommendations of the Audit Committee, the Board of Directors have, at its meeting held on June 30, 2008, proposed the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors in place of M/s. A.F. Ferguson & Co. for the financial year 2008-2009.

The Company has also received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying the intention to propose the appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Deloitte Haskins & Sells have also expressed their willingness to act as Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

Your Directors, therefore recommend the resolution for your approval.

Item No. 4

Appointment of Mr. Bipin Agarwal as Director

In terms of Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, the Board of Directors at its meeting held on January 8, 2008, appointed Mr. Bipin Agarwal as Additional Director. Mr. Bipin Agarwal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Mr. Bipin Agarwal for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except Mr. Bipin Agarwal, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 5

Appointment of Mr. Swaran Singh as Director

In terms of Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, the Board of Directors at its meeting held on January 8, 2008, appointed Mr. Swaran Singh as Additional Director. Mr. Swaran Singh holds office up to the date of this Annual General Meeting. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Mr. Swaran Singh for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except Mr. Swaran Singh, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 6

Appointment of Dr. B. Samal as Director

In terms of Section 260 of the Companies Act, 1956 and Article 126(a)

of the Articles of Association of the Company, the Board of Directors at its meeting held on March 5, 2008, appointed Dr. B. Samal as Additional Director. Dr. B. Samal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Dr. B. Samal for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

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

Item No. 7

Appointment of Mr. T.M. Nagarajan as Director

In terms of Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company, the Board of Directors at its meeting held on March 5, 2008, appointed Mr. T.M. Nagarajan as Additional Director. Mr. T.M. Nagarajan holds office up to the date of this Annual General Meeting. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Mr. T.M. Nagarajan for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except Mr. T.M. Nagarajan, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 8

The Non-Executive Directors have been the guiding force of your Company. They are not receiving any remuneration for the services rendered by them to the Company, except sitting fees for the meetings of the Board of Directors and Committees thereof attended by them. To compensate the time and efforts spent by them for the purposes of the Company, the Board has proposed payment of monthly remuneration or commission to Non-Executive Directors subject to ceilings provided under Companies Act, 1956 and subject to the approval of Central Government or any other statutory approval as may be required for giving effect to this resolution.

In accordance with the provisions of Section 309 (4) of the Companies Act, 1956 the approval of members is required by way of Special Resolution for the purpose.

The Board of Directors accordingly recommends this Special Resolution for your approval.

The Non-Executive Directors of your Company may be deemed to be interested or concerned in this Special Resolution.

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

Cumi Banerjee
Vice President (Legal) &
Company Secretary

Mumbai, June 30, 2008

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

**DIRECTORS' REPORT**

Your Directors are pleased to present the Seventy Fifth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2008

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
1. FINANCIAL RESULTS		
(a) Total Income	1941.38	381.08
Profit / (Loss) before depreciation	1455.93	(1570.57)
Less : Depreciation	9.70	23.76
Profit / (Loss) before Tax	1446.23	(1594.33)
Less : Provision for Tax	(162.70)	(2.10)
	1283.53	(1596.43)
Add : Balance of Profit / (Loss) brought forward from the previous year.	1305.05	3135.47
Amount available for appropriation	2588.58	1539.04
(b) From this, the Directors have transferred to:		
Special Reserve	260.00	-
General Reserve	130.00	-
(c) The Directors recommend payment of Dividend at the rate of Rs. 2/- per share (previous year Rs. 2.00 per share) on 1,00,00,000 shares of Rs. 10/- each which will absorb.	200.00	200.00
Tax on proposed Dividend	33.99	33.99
(d) Leaving a balance to be carried forward	1964.59	1305.05

1. OPERATING RESULTS

The total income for the year under review is higher at Rs.1941.38 Lakhs as compared to Rs.381.08 Lakhs in the previous year. This was mainly due to write back of provisions made for doubtful deposits / loans and provisions for value of investments for Rs.1472.48 Lakhs, no longer required.

Expenditure during the year under review is Rs.495.14 Lakhs as compared to Rs.1975.42 Lakhs in the previous year. This was due to decrease in Net Loss amounting to Rs.4.88 Lakhs on trading in Shares & Equity derivative instruments as compared to the Net Loss of Rs.464.10 Lakhs incurred on trading in Shares & Equity derivative instruments in the previous year.

2. INVESTMENTS

The Company's portfolio of investment is regularly reviewed and securities are bought, to add to the portfolio or sold in order to make capital gains. Details of the Company's investments, including a portfolio summary and analysis of securities held are given in Schedule E to the Balance Sheet as on March 31, 2008. The Company is an investment company, with a long term view of its portfolio.

The market value of the Company's quoted investments, as on March 31, 2008 was Rs.1235.28 Lakhs (previous year Rs.5502.60 Lakhs), which is 35% lower than the related Book Value. This was due to heavy market meltdown from January 2008 through March 2008. During the year the Company purchased shares / debentures of total Book Value of Rs.10,025 Lakhs and sold shares / debentures of Book Value of Rs.15,604 Lakhs.

3. SUBSIDIARY COMPANY - IIT Investrust Limited

Currently, the company does not have any business activity.

During the said period, the company sold 10,000 equity shares of Bombay Stock Exchange Limited (BSE).

Pursuant to the application for surrendering its membership with OTC Exchange of India (OTCEI), the company is still awaiting the reply from the said Exchange.

4. FIXED DEPOSITS

The Company does not accept Public Deposits.

5. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, the following amounts lying with the Company as unclaimed 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.

1. Unclaimed Dividend	Rs.4,24,485/-
2. Unclaimed Interest on Fixed Deposits	Rs.5,835/-

6. EMPLOYEE RELATIONS

Relations with employees continue to be cordial. The Directors take this opportunity to thank the employees at all levels for their continued dedication and hard work put in by them.

7. DIRECTORS

During the period under review, the promoters – Super Star Exports Private Limited, Padmavatiasha Properties and Projects Private Limited, Raneka Fincom Private Limited, Pranam Securities Limited and Pacific Corporate Services Limited sold their stake in the Company to N.N. Financial Services Private Limited, Nimbus (India) Limited, Mr. Bipin Agarwal and Mr. Swaran Singh,

collectively called “the Acquirers”. Pursuant to the takeover, there is a change in Management / Control of the Company.

Mr. N.R. Suresh resigned as Director from the Board of the Company on January 8, 2008. Mr. C.P. Khandelwal, Mr. Sanjay Dangi and Mr. Arvinth Pandian resigned on March 5, 2008 as Directors from the Board of the Company. During their tenure as Directors, they have greatly contributed to the performance of the Company by their vast knowledge and experience.

Mr. Bipin Agarwal and Mr. Swaran Singh have been appointed by the Board as Additional Directors of the Company with effect from January 8, 2008. Dr. B. Samal and Mr. T.M. Nagarajan have been appointed by the Board as Additional Directors of the Company with effect from March 5, 2008 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 126(a) of the Articles of Association of the Company. Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan holds office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan as Directors of the Company. Notice has been received from the members pursuant to Section 257 of the Companies Act, 1956, proposing their candidature for the office of Director.

8. DIVERSIFICATION

The Promoters of the Company are examining various growth opportunities in line with its objectives including entering into business of Mutual Funds, Insurance, Real Estate. They are looking at various proposals as an ongoing endeavour to diversify into certain new and profitable ventures.

During the year under review, the Company has made an investment of Rs.9,55,62,276/- (aggregate cost) for acquiring 50.17% of the equity stake in Indo Green Projects Limited (IGPL), a BSE listed Company and has filed Letter of Offer pursuant to Regulations 10 and 12 of SEBI (SAST) Regulations, 1997 for further acquisition of 20% of the equity shares and voting rights of IGPL. IGPL is presently engaged in the business of Bill Discounting, granting Inter corporate loans, investment and trading activities. IGPL proposes to venture into the business of Real Estate Development.

9. AUDITOR'S 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.

10. AUDITORS

The Company's current Auditors M/s. A.F. Ferguson & Co. do not wish to seek re-appointment as Statutory

Auditors of the Company and have stated that they are now a part of M/s Deloitte Haskins & Sells (DHS). In view of the same and based on the recommendations of the Audit Committee, the Board of Directors have, at its meeting held on June 30, 2008, proposed the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors in place of M/s. A.F. Ferguson & Co. for the financial year 2008-2009.

The Company has also received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying the intention to propose the appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Deloitte Haskins & Sells have also expressed their willingness to act as Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchange, is given as a separate statement in the Annual Report.

12. CORPORATE GOVERNANCE

The management is seeking a competent candidate for appointment of Chief Executive Officer (CEO). In absence of CEO, the certification as required under Clause 49 (V) of the Listing Agreement is given by Mr. Bipin Agarwal, Promoter Director of the Company.

A separate section on Corporate Governance forms part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

13. 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, 2008;
- (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.

14. 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.

15. 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.

On behalf of the Board of Directors,

Dr. B. Samal
Chairman

Mumbai

Date: June 30, 2008

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economic Scenario:

The global economic outlook is increasingly grim with the United States mired in a recession from sub-prime crisis whose effects are still spreading. Global expansion is set to slow to 3.7% in 2008 amid an unfolding crisis that began in the United States, the International Monetary Fund said in its semiannual World Economic Outlook (WEO) report. Moreover, growth is projected to remain broadly unchanged in 2009, with growth in the advanced economies likely to fall well below potential. When the crisis first came to light, many analysts called it a domestic problem- one that would only affect US housing markets. However, almost a year later, it can be seen that this is not the case. The recent chain of events has clearly indicated that this is a global phenomenon. What started as a sub-prime mortgage loan problem in US markets has become a world wide crisis. Capital markets have been disrupted. Global financial markets remained volatile during 2007-08. Liquidity crisis have forced regulators and central bankers to pump in money into the system on an unprecedented scale. Confidence of investors in banking and financial system has been shaken. Factors like credit crisis, weakening US dollar, rising inflation and economic slowdown, have been playing negatively on the market sentiments globally. The collapse of largest U.S. Investment Bank, Bear Stearns in March 2008, brought more volatility in the global markets. India could not escape the blow.

The Indian Economy

The Indian Economy has been resilient in the face of heightened global uncertainties, slowing US growth and high crude oil prices. The Indian economy continued to expand at a robust pace during the first half of 2007-08 for the fifth consecutive year. According to the advance estimates released by Central Statistical Organisation (CSO), the real GDP growth rate was placed at 8.7% in 2007-08 as compared with 9.6% in 2006-07. However buoyancy in agriculture sector lifted India's economic growth to 9% in 2007-08 from earlier projection of 8.7%. Growth in index of industrial production (IIP) decelerated to 8.7% during April-February 2007-08 from 11.2% during April-February 2006-07 with the manufacturing sector growth moderating to 9.1% from 12.2%. The services sector maintained its double-digit growth at 10.6% during 2007-08 despite some moderation in pace. It continued to be the major contributor to GDP growth. The economy showed signs of overheating in mid-2007, with inflation rising above 7% during Feb-March 2008. Although the central bank has pursued a tight monetary policy, inflation risks are on upside due to rising international food and fuel prices, domestic liquidity.

Indian Capital Markets

The year 2007 turned out to be the year of the bull. Even though year 2007 closed with a bang with the sensex closing above the 20,000 mark, it was a rollercoaster ride for the

indices over the year. The sensex survived two major falls in the year 2007, one in February and other in July 2007, but remarkably recovered before end of the year and reached the peak of 21,207 on January 10, 2008. The equity markets witnessed bouts of volatility in the second week of January, 2008 in tandem with trends in major international equity markets. It all started with the US sub-prime problem and the global credit crunch, which led the BSE Sensex nose-diving from its peak of 21,207 on January 10, 2008 to 14,677 on March 18, 2008. The Sensex, plummeted by over 2000 points or almost 11% on January 21, 2008 - its biggest ever intra-day fall - and dragged down stock prices of blue-chip companies to a record low, forcing the stock exchange to shut down trading twice abruptly. Moreover some of the IPO's were traded much below the issue price and that added more to the woes. Despite the withdrawal of certain IPO's, the primary markets did manage to mobilize Rs.41,358 crore from IPO's during the financial year 2007-08. But with the meltdown in the secondary market, there was panic among the retail investors and FII's. Since January 2008, FII's alone have sold equities worth Rs.79, 526 crores from Indian market.

Segment –wise Performance:

Investment activity is the only segment in which your Company operates. This segment has been influenced by the overall economic, regulatory and other global as well as domestic factors. The BSE Sensex was at 12,812 on its opening on April 2, 2007, touched an all time high at 21,207 on January 10, 2008 and closed at 15,644 on March 31, 2008. The 30% fall of the sensex from its peak of 21, 207 on January 10, 2008 clearly indicates that capital market dynamics are most unpredictable. Since then the market has not regained stability. There has been a constant decline in the valuation of our portfolio. The market value of the Company's quoted investments as on March 31, 2008 was Rs.1235.28 Lakhs whereas Book Value was Rs.1901.92 Lakhs. The recent fall in the stock market is attributed among other factors, to the sub-prime mortgage crisis in US, change in monetary stance of developed countries, the expected recession in US and surging oil prices. Till these global concerns surface, there are doubts of markets regaining stability

Opportunities, Threats, Risks and Concerns:

With various factors posing constant threats and the high volatility of the capital markets, management feels that it will be beneficial to the Company and the shareholders to diversify the portfolio to reduce the risk and insulate from the vagaries of stock market. Mutual Funds help to reduce risk through diversification and professional management and therefore the management invests in debt/equity related Mutual Funds. One of the greatest advantages of Mutual Fund investment is liquidity. Open-ended funds provide option to redeem on demand, which is beneficial during rising or falling markets. The Company also undertakes activities of Margin and loan funding. The management is exploring other avenues to

expand business and has been seeking opinion on the same from Corporate consultants.

Financial Performance:

Due to crash of the domestic market in January 2008 and the continual fall in the sensex there is great erosion in the Market value of our Investment portfolio. Despite that the company has reported a Net Profit of Rs.1283.53 during the year.

Internal Control System:

The Company has installed an adequate system of internal controls in all spheres of its activity. Your Company has adequate internal control system. This is to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorized, recorded and reported diligently. The internal control is supplemented by an effective internal audit being 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:

According to the World Economic Outlook (WEO) of the International Monetary Fund (IMF) released in April 2008, the forecast for global real GDP growth is expected to slow from 4.9% in 2007 to 3.7% in 2008. Global credit turmoil, an economic slowdown in industrial countries and accelerating inflation are set to curb the rapid pace of growth in developing economies in 2008, as stated by World Bank in its review of 'Global financial conditions in the developing world'. The conditions could worsen if the financial turmoil and slowdown brought on by the problems in the US housing market becomes more severe and prolonged.

GDP growth for India is projected to slow further to 7% in 2008. Inflation has become a major issue. The steep rise in inflation in double digits with almost 11%, triggered by an unprecedented rise in the international price of crude oil is posing a great challenge and will have a sweeping impact on the Indian economy. Due to rising oil prices India could face rupee depreciation, increasing trade account and firm interest rates. Besides the oil shock, there would probably be the ensuing political instability and social unrest. If the global and domestic problems persist, analysts have opined that Sensex may fall to 12,000-14500 levels. Also with 50 basis point hike in repo rate and CRR by the Reserve Bank of India on June 25, 2008, there will be tough times ahead.

DISCLAIMER:

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

On Behalf of the Board of Directors,

DR. B. SAMAL
Chairman

Place: Mumbai
Date: June 30, 2008

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 as on March 31, 2008 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	I / NE Chairman	9	2	2
2	Mr. Bipin Agarwal	NI / NE Promoter	6	-	-
3	Mr. Swaran Singh	NI / NE Promoter	3	-	-
4	Mr. T. M. Nagarajan	I / NE	3		
5	Mrs. Thankom Mathew	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.

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

During the year, Dr. B. Samal, Mr. Bipin Agarwal, Mr. Swaran Singh and Mr. T.M. Nagarajan have been appointed on the Board of the Company. Mr. C.P. Khandelwal, Mr. Sanjay Dangi, Mr. N.R. Suresh and Mr. P.H. Arvindh Pandian have resigned from the Board of the Company.

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 2007-2008, 9 Board Meetings were held i.e., on May 16, 2007, June 30, 2007, July 25, 2007, August 16, 2007, October 26, 2007, January 8, 2008, January 24, 2008, March 5, 2008 and March 19, 2008

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
Mr. C.P. Khandelwal **	8	Yes
Mr. Sanjay Dangi **	8	Yes
Mr. N.R. Suresh *	2	Yes
Mr. P.H. Arvindh Pandian **	6	—
Mrs. Thankom Mathew	6	—
Dr. B. Samal ****	2	—
Mr. Bipin Agarwal ***	3	—
Mr. Swaran Singh ***	3	—
Mr. T.M. Nagarajan ****	2	—

* Resigned as Director with effect from January 8, 2008

** Resigned as Director with effect from March 5, 2008

*** Appointed with effect from January 8, 2008 as Additional Director

**** Appointed with effect from March 5, 2008 as Additional Director

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 March 5, 2008.

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, 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, 6 meetings of the Audit Committee were held, the dates being May 16, 2007, June 30, 2007, July 25, 2007, August 16, 2007, October 26, 2007 and January 24, 2008.

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. N.R. Suresh *	Chairman	2
Mr. P.H. Arvinth Pandian**	Member / Chairman	6
Mr. C.P. Khandelwal **	Member	6
Mrs. Thankom Mathew	Member	4
Dr. B. Samal ****	Chairman	N.A.
Mr. Bipin Agarwal ***	Member	N.A.
Mr. T.M. Nagarajan ****	Member	N.A.

Mrs. Cumi Banerjee, V.P. (Legal) & Company Secretary acts as Secretary to the Committee and attends the meetings.

- * Resigned as Director with effect from January 8, 2008
- ** Resigned as Director with effect from March 5, 2008
- *** Appointed as Additional Directors w.e.f. January 8, 2008 and as members of Audit Committee w.e.f. March 5, 2008
- **** Appointed as Additional Directors and members of Audit Committee w.e.f. March 5, 2008

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 once again reconstituted on March 5, 2008.

Main functions of the Remuneration Committee includes 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.

Since, no remuneration is being paid to any of the Directors of the Company, 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. C.P. Khandelwal *	Chairman
Mr. Sanjay Dangi *	Member
Dr. B. Samal**	Chairman
Mr. T.M. Nagarajan **	Member
Mrs. Thankom Mathew	Member

* Resigned as Director with effect from March 5, 2008

** Appointed as Additional Director with effect from March 5, 2008

Sitting Fees

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Mr. C.P. Khandelwal	40,000	38,000	78,000
Mr. Sanjay Dangi	40,000	26,000	66,000
Mr. N.R. Suresh	10,000	4,000	14,000
Mr. P.H. Arvinth Pandian	30,000	12,000	42,000
Mrs. Thankom Mathew	30,000	8,000	38,000
Dr. B. Samal	10,000	2,000	12,000
Mr. Bipin Agarwal	15,000	—	15,000
Mr. Swaran Singh	15,000	—	15,000
Mr. T.M. Nagarajan	10,000	2,000	12,000
Total	1,82,000	1,10,000	2,92,000

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 share holders including redressing of complaints from shareholders relating to transfer of shares, non-receipt of balance sheets, dividends etc. The committee as on March 31, 2008 consists of 3 members, namely:

- Dr. B. Samal - Non-Executive Director – Chairman
- Mr. T.M. Nagarjan - Member
- Mrs. Thankom Mathew - 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 11 meetings were held. Transfer formalities have been attended at least once in a fortnight.

- Name and designation : Mrs. Cumi Banerjee of Compliance Officer Vice President (Legal) & Company Secretary
- No. of shareholders : 13 complaints received
- No. of complaints not resolved to the satisfaction of the shareholders : Nil
- Pending complaints : Nil as on 31.3.2008

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 of the Company have constituted Risk Management Committee of Directors on June 2, 2006. It was last reconstituted on March 5, 2008. The committee as on March 31, 2008 consists of 4 members, namely:

- Dr. B. Samal - Chairman
- Mr. Bipin Agarwal - Member
- Mr. Swaran Singh - 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.

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 Company

Under the revised clause 49, Dr. B. Samal and Mr. T.M. Nagarajan, being Independent Directors of the Company have been inducted as the Directors of IIT Investrust Limited which is a non - listed subsidiary of the Company.

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

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

Disclosures

As required by revised clause 49, a statement in summary form of transactions with related parties are being 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, 2008.

Disclosure on Risk Management

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

Code of Conduct

As required by the revised 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

A Certificate from the Promoter Director Mr. Bipin Agarwal on the financial statements of the Company was placed before the Board.

5. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

- a) The Company has not yet fixed any tenure for the Independent Directors on the Board of the Company.
- b) The Board has set up a Remuneration Committee, details thereof are furnished earlier in the Report.
- c) The quarterly/half-yearly financial results are published in the newspapers and also they are electronically filed on EDIFAR website www.sebiedifar.nic.in within the time frame prescribed in this regard.
- d) Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.
- e) The Company has not yet adopted any training programme for the members of the Board.
- f) The Company has not adopted any Whistle Blower policy.

6. GENERAL BODY MEETINGS

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

Sr. No.	Date	Location	Time	Special Resolution passed
1	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
2	September 1, 2006	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.30 p.m.	Increase in Borrowing Limits of the Company
3	September 29, 2005	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.00 p.m.	1) Appointment of MCS Limited as the Registrar and Transfer Agent 2) Re-appointment of Mr. C.K. Thanawala as Managing Director 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 M 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 / Half yearly 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 Company has not made any presentation to any institutional investors or to any analysts during the year.
- c) All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.
- d) The Company does not have a website.

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

Date & Time : September 27, 2008 at:3.00 p.m.
Venue : M.C. Ghia Hall, 18/20,
K. Dubash Marg,
Mumbai – 400 001

b) Financial Calendar : 2008-2009

Adoption of Quarterly Results for
Quarter ending : in the month of
June 2008 : July 2008
September 2008 : October 2008
December 2008 : January 2009
March 2009 : June 2009
(Audited annual results)

- c) Dividend** : On or before
Payment Date : October 26, 2008

- d) Book Closure period:** September 20, 2008 to
September 27, 2008

- 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, 2009.

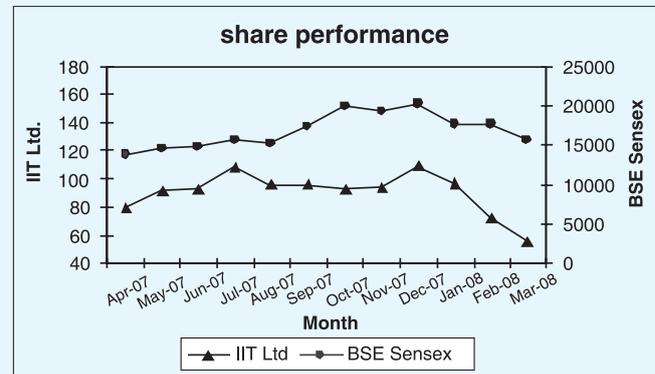
- f) Stock Code at BSE** : 501295

g) Stock price data at the BSE

Month	High Rs.	Low Rs.
April, 2007	96.95	76.70
May, 2007	113.00	79.00
June, 2007	104.90	78.55
July, 2007	118.00	89.00
August, 2007	114.00	81.30
September, 2007	99.90	91.75
October, 2007	102.00	89.00
November, 2007	98.95	88.10
December, 2007	117.80	92.00
January, 2008	139.00	79.05
February, 2008	104.00	64.65
March, 2008	73.75	38.00

h) Graph

- Share Price / BSE (Monthly Closing)

**i) Registrar and Transfer Agents**

Intime Spectrum Registry 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 Intime Spectrum Registry Limited and is approved by the Share Transfer Committee/ Vice President (Legal) & 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, 2008

Grouping of Shares	No. of Share-holders	% of total share-holders	No. of Shares per Category	% of total shares
1 – 100	1,117	39.07	74,696	0.75
101 – 500	963	33.68	3,02,528	3.03
501 – 1,000	329	11.51	2,89,257	2.89
1,001 – 5,000	357	12.49	8,84,966	8.85
5,001 – 10,000	48	1.68	3,51,967	3.52
10,001 - 1,00,00,000	45	1.57	80,96,586	80.97
TOTAL	2,859	100.00	1,00,00,000	100.00

Shareholding pattern as on March 31, 2008

Category	No. of Share-holders	No. of shares held	% of share-holding
Promoters	6	60,21,266	60.21
Foreign Company	-	-	-
Non Resident (Individual & Companies)	32	97,525	0.98
Foreign Institutional Investors	-	-	-
Insurance Companies	4	13,12,311	13.12
Financial Institutions / Banks	17	1,20,650	1.21
Mutual Fund	-	-	-
Central Government / State Government(s)	2	37,200	0.37
Resident Individuals	2,656	20,40,175	20.40
Other bodies corporate	142	3,70,873	3.71
TOTAL	2,859	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, 2008, a total of 89,28,004 shares of the company which form 89.28 % of the share capital of the company stand 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

Intime Spectrum Registry 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

Rajabhadur Mansion, 2nd floor
28, Bombay Samachar Marg,
Fort, Mumbai – 400 001

Contact Person

Mrs. Cumi Banerjee
Vice President (Legal) & 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
Chairman

Place : Mumbai
Date: June 30, 2008



Auditors' certificate to the members of Industrial Investment Trust Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2008, under clause 49 of the listing agreements with the relevant stock exchanges.

We have examined the compliance of the conditions of corporate governance by Industrial Investment Trust Limited for the year ended 31st March, 2008, as stipulated in Clause 49 of the listing agreements of the said company with the relevant stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, adopted by the company for ensuring 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 and the representations made by the directors and the management, except that in the absence of any designated Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the relevant certification on the various matters specified under paragraph V of clause 49 has been done solely by the Promoter Director of the Company, we certify that the company has complied with the conditions of corporate governance as stipulated in clause 49.

We 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 A. F. FERGUSON & CO.
Chartered Accountants

A.C. KHANNA
Partner

Membership No. 17814

Mumbai: June 30, 2008

AUDITORS' REPORT

REPORT OF THE AUDITORS TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2008

1. We have audited the attached balance sheet of Industrial Investment Trust Limited as at 31st March, 2008, and also the profit and loss account and the cash flow statement for the year ended on that date 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 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 appears from our examination of the books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) 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:
 - (1) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2008;
 - (2) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (3) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For A. F. FERGUSON & CO.
Chartered Accountants

A. C. KHANNA
Partner
Membership No. 17814

Mumbai: June 30, 2008

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT OF THE AUDITORS TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year are not substantial and therefore the question of reporting on 4(i) (c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said order) does not arise.
- (ii) According to the information and explanations given to us, and having regard to the company's business, the question of reporting on clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) (relating to inventory) of the said Order does not arise.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 (hereinafter referred to as the Act).
- (b) In view of the foregoing, the question of reporting on clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the said Order does not arise.
- (c) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (d) In view of the foregoing, the question of reporting on clauses 4(iii)(f) and 4(iii)(g) of the said Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 or rules framed thereunder or the provisions of Non Banking Financial Companies Acceptance or Public Deposits (Reserve Bank) Directions, 1998 apply, during the period covered by our audit report. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act, hence the question of reporting under clause 4(viii) of the said Order does not arise.
- (ix) (a) According to the records of the company, the company is regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth-tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute, except as stated below:

Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
The Income-tax Act, 1961:			
Income tax	5,640,155	A.Y. 1997-98	Commissioner of Income-Tax (Appeals)
-do-	1,599,701	A.Y. 1999-00	Commissioner of Income-Tax (Appeals)

- (x) The company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. The company has neither taken any loans from financial institutions nor has issued any debentures.
- (xii) We are of the opinion that the Company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the said Order is not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company has maintained proper records in respect of its dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. Also, such shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- (xv) The company has not given bank guarantees in respect of loans taken by others from banks or financial institutions during the year and there are no guarantees outstanding at the year end. Accordingly, the question of reporting under clause 4(xv) of the said Order does not arise.
- (xvi) The company has not obtained any term loans, accordingly, the question of our reporting on its application does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no loans raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued any debentures. Accordingly, the question of creating a security or charge for such debentures does not arise.
- (xx) The company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A. F. FERGUSON & CO.
Chartered Accountants

A.C.KHANNA
Partner
Membership No. 17814

Mumbai: June 30, 2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	559,293,450	454,339,126
		<u>659,293,450</u>	<u>554,339,126</u>
(2) LOAN FUNDS			
(a) Secured loans	"C"	-	30,000,000
(b) Unsecured loans		50,000,000	74,863,693
		<u>50,000,000</u>	<u>104,863,693</u>
Total		<u><u>709,293,450</u></u>	<u><u>659,202,819</u></u>
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"D"	48,621,687	56,535,304
(b) Less: Depreciation		42,281,531	45,181,593
(c) Net block		<u>6,340,156</u>	11,353,711
(2) INVESTMENTS			
(3) CURRENT ASSETS, LOANS AND ADVANCES	"E"	350,628,907	640,795,690
(a) Sundry debtors	"F"	50,428,324	23,750,000
(b) Cash and bank balances		87,229,489	3,714,771
(c) Other current assets		17,544,131	-
(d) Loans and advances		239,264,528	45,584,249
		<u>394,466,472</u>	<u>73,049,020</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	"G"	18,550,737	42,343,902
(b) Provisions		23,591,348	23,651,700
		<u>42,142,085</u>	<u>65,995,602</u>
NET CURRENT ASSETS		<u><u>352,324,387</u></u>	<u><u>7,053,418</u></u>
Total		<u><u>709,293,450</u></u>	<u><u>659,202,819</u></u>
Notes to the Accounts	"K"		

As per our report attached

For A. F. FERGUSON & CO.
Chartered AccountantsA. C. KHANNA
Partner

Mumbai : June 30, 2008

For and on behalf of the Board of Directors

DR. B. SAMAL
ChairmanCUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

BIPIN AGARWAL
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees
INCOME			
Dividend on long term investments - other than trade (gross)		1,842,103	6,754,611
Interest	“H”	27,913,228	5,868,720
Rent on immovable property (tax deducted at source Rs.3,538,595; previous year: Rs. 2,789,889)		13,665,840	12,432,660
Net profit on sale of fixed assets		2,999,813	-
Provision for doubtful deposits / loans and interest accrued no longer required		39,695,185	12,640,284
Provision for diminution in value of investments no longer required		107,552,998	-
Miscellaneous		468,487	411,671
Total		194,137,654	38,107,946
EXPENDITURE			
Management expenses	“I”	13,786,044	8,752,784
Provision for diminution in the value of investments		-	59,500,000
Deposit/interest with bodies corporate written off		-	2,257,904
Net loss on sale of long term investments		21,964,810	52,313,935
Net loss on trading in shares & equity derivative instruments		487,518	46,410,317
Depreciation on fixed assets		957,302	2,362,866
Depreciation on immovable property		12,948	13,628
Interest expenses	“J”	12,305,708	25,930,362
Total		49,514,330	197,541,796
Profit/(Loss) before taxation		144,623,324	(159,433,850)
Provision for taxation			
- Current tax		(16,200,000)	-
- Fringe benefit tax		(70,000)	(210,000)
Profit/(Loss) after taxation		128,353,324	(159,643,850)
Add : Balance brought forward from last year		130,504,318	313,547,168
Amount available for appropriations		258,857,642	153,903,318
Less : Appropriations			
Transfer to special reserve (See Note 6)		26,000,000	-
Proposed dividend		20,000,000	20,000,000
Corporate dividend tax thereon		3,399,000	3,399,000
Transfer to general reserve		13,000,000	-
Balance carried to balance sheet		196,458,642	130,504,318
Basic and diluted earnings per equity share (Rs.) (See Note 4)		12.84	(15.96)
Notes to the Accounts	“K”		

As per our report attached

For and on behalf of the Board of Directors

For A. F. FERGUSON & CO.
Chartered AccountantsDR. B. SAMAL
ChairmanBIPIN AGARWAL
DirectorA. C. KHANNA
PartnerCUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

Mumbai : June 30, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-2008 Rupees	2006-2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	144,623,324	(159,433,850)
Adjustments for:		
Depreciation	970,250	2,376,494
Interest other than interest on investments	(27,913,228)	(5,868,720)
Interest charged	12,305,708	25,930,362
Provisions/(write back of provision) for doubtful deposit/loans and interest accrued	(39,695,185)	(12,640,284)
Write back of diminution in value of investments	(107,552,998)	-
Provision for diminution in value of investments	-	59,500,000
Net loss on sale of long term investments	21,964,810	52,313,935
Net profit on sale of fixed assets	(2,999,813)	-
Operating profit before working capital changes and other adjustments	1,702,868	(37,822,063)
Working capital changes		
(Decrease)/Increase in Current liabilities	(24,135,433)	30,703,787
Increase/(Decrease) in Leave encashment	53,021	(14,621)
(Increase)/Decrease in Sundry debtors	(26,678,324)	64,672,465
Increase in Advances and other current assets	(1,209,522)	(214,853)
Other adjustments :		
Purchase of long term investments	(1,272,652,034)	(1,375,454,823)
Sale of long term investments	1,640,126,224	1,643,862,673
Sale of investments in associates	7,767,833	-
Sale of investments in subsidiary	500,000	-
Interest received other than interest on investments	10,369,097	6,383,358
Interest paid	(12,305,708)	(27,550,073)
Cash generated from operations	323,538,022	304,565,850
Direct taxes paid (including fringe benefit tax)	(19,783,278)	(20,169,824)
Net cash from operating activities	303,754,744	284,396,026
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,815,600)	(6,536,955)
Sale of fixed assets	8,871,666	-
Loans granted	(371,464,571)	(38,741,468)
Repayment of loans granted	222,088,904	106,676,407
Net cash used in investing activities	(142,319,601)	61,397,984
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	465,638,444	1,166,830,972
Repayment of borrowings	(520,502,137)	(1,494,901,219)
Decrease in cash credit	-	(1,784,181)
Dividend paid	(19,657,732)	(19,794,143)
Corporate dividend tax	(3,399,000)	(2,805,000)
Net cash generated from/(used in) financing activities	(77,920,425)	(352,453,571)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	83,514,718	(6,659,561)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008 (Contd.)

	2007-2008 Rupees	2006-2007 Rupees
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year, comprising:		
Cash on hand	23,015	2,529
Cheques on hand	88,823	5,000,000
With Scheduled banks on current, fixed deposit and other accounts	3,602,933	5,371,803
	3,714,771	10,374,332
As at the end of the year, comprising:		
Cash on hand	16,802	23,015
Cheques on hand	-	88,823
With Scheduled banks on current, fixed deposit and other accounts	87,212,687	3,602,933
	87,229,489	3,714,771
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	83,514,718	(6,659,561)

Notes:

- Investment and leasing are the principal business activities of the Company and therefore the cash flow relating to them is included under operating activities.
- Previous year figures have been regrouped wherever necessary.

As per our report attached

For A. F. FERGUSON & CO.
*Chartered Accountants*A. C. KHANNA
Partner

Mumbai : June 30, 2008

For and on behalf of the Board of Directors

DR. B. SAMAL
*Chairman*CUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

BIPIN AGARWAL
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
15,000,000 Equity shares of Rs.10 each	150,000,000	150,000,000
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)	100,000,000	100,000,000
Total	100,000,000	100,000,000
SCHEDULE "B"		
RESERVES AND SURPLUS		
Capital reserve:		
Balance as per last balance sheet	750	750
General reserve:		
Balance as per last balance sheet	145,591,058	145,591,058
Add: Transferred from profit and loss account	13,000,000	-
	158,591,058	145,591,058
Special reserve (See Note 6)		
Balance as per last balance sheet	178,243,000	178,243,000
Add: Transferred from profit and loss account	26,000,000	-
	204,243,000	178,243,000
Balance in profit and loss account	196,458,642	130,504,318
Total	559,293,450	454,339,126
SCHEDULE "C"		
LOAN FUNDS		
(a) Secured loans:		
Loans from bodies corporate secured against pledge of securities (repayable within a year Rs.Nil; previous year: Rs. 30,000,000)	-	30,000,000
	-	30,000,000
(b) Unsecured loans:		
Short term loans from others	50,000,000	74,863,693
	50,000,000	74,863,693
Total	50,000,000	104,863,693

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**SCHEDULE "D"****FIXED ASSETS**

	COST		DEPRECIATION		NET BLOCK					
	As at 31/3/2007 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31/3/2008 Rupees	As at 31/3/2007 Rupees	As at 31/3/2008 Rupees	As at 31/3/2007 Rupees			
Buildings	10,772,000	-	1,672,000	9,100,000	5,453,665	233,571	1,025,078	4,662,158	4,437,842	5,318,335
Furniture, fixtures & office equipment	6,294,090	761,575	334,833	6,720,832	5,651,171	188,169	217,479	5,621,861	1,098,971	642,919
Motor cars	7,722,384	-	7,722,384	-	2,614,807	-	2,614,807	-	-	5,107,577
Computers	31,746,830	1,054,025	-	32,800,855	31,461,950	535,562	-	31,997,512	803,343	284,880
Total	56,535,304	1,815,600	9,729,217	48,621,687	45,181,593	957,302	3,857,364	42,281,531	6,340,156	
Previous year	49,998,349	6,536,955	-	56,535,304	42,818,727	2,362,866	-	45,181,593		11,353,711

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "E"		
INVESTMENTS : Long Term (at or under cost)		
Trade Investments (details as per supporting schedule)		
Unquoted		
Equity shares in subsidiary companies, fully paid-up	117,410,000	118,410,000
Equity shares, fully paid-up	-	3,300,000
Ordinary shares, fully paid-up	-	20,000
	<u>117,410,000</u>	<u>121,730,000</u>
Less: Provision for diminution in the value of investments	<u>(117,410,000)</u>	<u>(121,710,000)</u>
	-	20,000
Quoted		
Equity shares, fully paid-up	-	37,752,184
Less: Provision for diminution in the value of investments	-	(37,752,184)
	-	-
(i)	-	20,000
Other Investments (details as per supporting schedule)		
Unquoted:		
Equity shares, fully paid-up	-	72,759,898
Preference shares, fully paid-up	-	1,486,184
Units of Mutual Fund, fully paid-up	160,190,589	-
	<u>160,190,589</u>	<u>74,246,082</u>
Less: Provision for diminution in the value of investments	-	(3,029,902)
	<u>160,190,589</u>	<u>71,216,180</u>
Quoted:		
Debentures and Bonds, fully paid-up	-	41,908
Equity shares, fully paid-up	190,192,311	631,729,559
	<u>190,192,311</u>	<u>631,771,467</u>
Less: Provision for diminution in the value of investments	-	(62,470,912)
	<u>190,192,311</u>	<u>569,300,555</u>
(ii)	<u>350,382,900</u>	<u>640,516,735</u>
Immovable property		
Cost as per last balance sheet	1,069,071	1,069,071
Less: Depreciation to-date	823,064	810,116
	<u>246,007</u>	<u>258,955</u>
(iii)	<u>246,007</u>	<u>258,955</u>
Total (i)+(ii)+(iii)	<u><u>350,628,907</u></u>	<u><u>640,795,690</u></u>
Aggregate amount of quoted investments	190,192,311	569,300,555
[Market value Rs.123,528,182; (previous year: Rs. 550,259,705)]*		
Aggregate amount of unquoted investments	160,436,596	71,495,135
Total	<u><u>350,628,907</u></u>	<u><u>640,795,690</u></u>

* [In the absence of quotation, cost of investments of Rs.NIL; (previous year: Rs. 4,553,620) have been considered as market value]

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "F"		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Sundry debtors (unsecured, considered good):		
Outstanding for a period exceeding six months	6,396,406	-
Others	44,031,918	23,750,000
	<u>50,428,324</u>	<u>23,750,000</u>
(b) Cash and bank balances:		
Cash on hand	16,802	23,015
Cheques on hand	-	88,823
With Scheduled banks:		
On current accounts	5,855,468	629,898
On unpaid dividend accounts	3,315,063	2,973,035
On fixed deposit accounts	78,042,156	-
	<u>87,229,489</u>	<u>3,714,771</u>
(c) Other current assets:		
Interest accrued on fixed deposit	1,685,811	-
Interest accrued on deposits with bodies corporate and others	16,009,635	151,315
	<u>17,695,446</u>	<u>151,315</u>
Less: Provision for doubtful interest	(151,315)	(151,315)
	<u>17,544,131</u>	<u>-</u>
(d) Loans and advances (unsecured, considered good, unless otherwise stated):		
Loans to subsidiaries (considered doubtful)	99,930,435	223,718,620
Loans to others	2,433,546	12,362,694
Deposits with bodies corporate [includes Rs. 140,000,000 (as at 31.03.2007 Rs. Nil) secured by way of pledge of shares] (considered doubtful: Rs. 132,610,131; previous year: Rs. 48,517,131)	331,610,131	48,517,131
	<u>433,974,112</u>	<u>284,598,445</u>
Less: Provision for doubtful deposits / loans	(232,540,566)	(272,235,751)
	<u>201,433,546</u>	<u>12,362,694</u>
Advances recoverable in cash or in kind or for value to be received (See Note 10)	11,552,247	10,342,725
Tax deducted at source, advance tax and taxes recoverable less provisions	26,272,735	22,872,830
Deposit with Industrial Development Bank of India under the Investment Deposit Account Scheme, 1986	6,000	6,000
	<u>239,264,528</u>	<u>45,584,249</u>
Total	<u><u>394,466,472</u></u>	<u><u>73,049,020</u></u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "G"		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities:		
Sundry creditors (no outstanding dues of micro enterprises and small enterprises)	1,575,157	25,704,755
Security and trade deposits	13,659,845	13,659,845
Investor Protection and Education Fund shall be credited by the following amounts when due:		
Unclaimed dividends	3,315,735	2,973,467
Unclaimed interest on fixed deposits	-	5,835
	18,550,737	42,343,902
(b) Provisions:		
Leave encashment	89,217	36,196
Proposed dividend	20,000,000	20,000,000
Corporate dividend tax	3,399,000	3,399,000
Fringe benefit tax	103,131	216,504
	23,591,348	23,651,700
Total	42,142,085	65,995,602

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees
SCHEDULE "H"		
INTEREST :		
On deposits with banks (gross) (tax deducted/deductible at source Rs. 1,636,462; previous year: Rs. 8,632)	9,397,843	38,469
On loan to others (tax deducted at source Rs. 1,107,598; previous year: Rs. 1,113,374)	17,304,667	5,830,251
On income tax refund	221,562	-
Others	989,156	-
Total	27,913,228	5,868,720
SCHEDULE "I"		
MANAGEMENT EXPENSES		
(i) Payments to and provisions for employees:		
Salaries and bonus	2,096,390	1,409,279
Contribution to provident and other funds	225,894	111,642
Staff welfare expenses	172,013	122,046
	2,494,297	1,642,967
(ii) Other expenses:		
Rates and taxes	176,493	69,391
Rent	2,569,570	2,432,000
Insurance	24,377	20,762
Printing and stationery	202,653	205,631
Postage, freight and telephone	229,911	201,325
Electricity	682,171	404,353
Travelling and conveyance	289,133	500,148
Repairs and maintenance:		
Buildings	2,620,738	1,101,350
Computers	23,320	1,500
Others	235,569	141,408
	2,879,627	1,244,258
Legal and professional	1,967,800	174,391
Directors' fees	292,000	173,000
Membership fees	117,927	140,372
Books, periodicals and subscription	2,461	10,415
Auditors' remuneration: (including service tax where applicable)		
Audit fees	292,136	292,136
Other services	552,703	370,331
Out of pocket expenses	4,873	951
	849,712	663,418
Miscellaneous	1,007,912	870,353
	11,291,747	7,109,817
Total	13,786,044	8,752,784
SCHEDULE "J"		
INTEREST :		
Interest on fixed period loans/deposits	-	3,992,969
Interest on loans-others	12,305,708	21,811,857
Interest on cash credit	-	41,386
Interest on corporate dividend tax	-	84,150
Total	12,305,708	25,930,362

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "K"

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.

(ii) Fixed assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation.

(iii) Depreciation:

(a) Depreciation on fixed assets and immovable property is provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956 and on the basis specified therein, except as stated in (b) below.

(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.

(iv) Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(v) Voluntary retirement scheme:

Expenditure on voluntary retirement scheme incurred subsequent to 31st March, 2003 is fully charged off to Profit and Loss Account in the year in which it is incurred.

(vi) 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.

(vii) Investments:

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

(viii) Employee benefits:

(a) 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 under the State Pension Scheme. 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 Pension and Group Schemes Department 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 liability is recognised based on number of days of unutilized leave at each balance sheet date on an arithmetic basis.

		31-03-2008	31-03-2007
		Rupees	Rupees
(2) Contingent liabilities not provided for in respect of:			
(a) Disputed income-tax matters		25,919,770	25,919,770
(b) Disputed wealth-tax matters		-	3,250,246
(3) The company is engaged solely in investment activities. Accordingly, no separate information for business and geographical segment wise disclosure is required.			
(4) Earnings per share:			
Profit/(Loss) after taxation as per profit and loss account (Rs.)	A	128,353,324	(159,643,850)
Weighted average number of equity shares outstanding	B	10,000,000	10,000,000
Nominal value per equity share (Rs.)		10	10
Basic and diluted earnings per equity share (Rs.)	A/B	12.84	(15.96)

(5) Related party disclosures:

(i) Names of related parties and relationships as identified by the company:

Subsidiary companies:	IIT Corporate Services Limited (upto 1 st August, 2007) IIT Investrust Limited
Associate companies:	Nu-tech Corporate Services Limited (upto 30 th July, 2007)
Key management personnel:	C. P. Khandelwal, Chairman (upto 4 th March, 2008) Sanjay Dangi, Director(upto 4 th March, 2008) Bipin Agarwal (w.e.f. 5 th March,2008) Swaran Singh (w.e.f 5 th March, 2008)
Companies in which directors have significant influence:	Systematix Shares & Stocks (I) Ltd. (upto 4 th March, 2008) Southern Windfarms Pvt. Limited (upto 4 th March, 2008) SQL Star International Ltd. (upto 4 th March, 2008) Golia Investment and Finance Limited (from 15 th May, 2007 to 4 th March,2008) N.N. Financial Services Pvt. Limited (w.e.f. 5 th March, 2008)



Sr. No.	Nature of transactions	Subsidiary companies	Associate companies	Key management personnel	Companies in which directors have significant influence
		Rupees	Rupees	Rupees	Rupees
(I)	Volume of transactions:				
	(i) Loans given				
	- IIT Corporate Services Ltd.	3,000,000 (355,000)	- (-)	- (-)	- (-)
	- IIT Investrust Ltd.	11,370,000 (780,000)	- (-)	- (-)	- (-)
	- SQL Star International Ltd	- (-)	- (-)	- (-)	80,000,000 (15,300,000)
	- Golia Finance and Investment Ltd	- (-)	- (-)	- (-)	220,100,000 (-)
	(ii) Refund of loans given				
	- IIT Investrust Ltd.	52,310,185 (3,609,380)	- (-)	- (-)	- (-)
	- IIT Corporate Services Ltd.	2,500,000 (7,022,000)	- (-)	- (-)	- (-)
	- SQL Star International Ltd	- (-)	- (-)	- (-)	75,000,00 (40,300,000)
	- Golia Finance and Investment Ltd	- (-)	- (-)	- (-)	60,100,000 (-)
	(iii) Loans Taken				
	- SQL Star International Ltd	- (-)	- (-)	- (-)	- (5,000,000)
	- N.N. Financial Services Pvt Ltd..	- (-)	- (-)	- (-)	50,000,000 (-)
	(iv) ICDs given				
	- Nu-tech Corporate Services Ltd.	- (-)	7,45,000 (11,115,000)	- (-)	- (-)
	(v) Refund of ICDs given				
	- Nu-tech Corporate Services Ltd.	- (-)	- (12,000,000)	- (-)	- (-)
	(vi) Refund of Loan taken				
	- SQL Star International Ltd	- (-)	- (-)	- (-)	5,000,000 (-)
	(vii) Interest income				
	- SQL Star International Ltd	- (-)	- (-)	- (-)	7,195,086 (2,758,356)
	- Golia Finance and Investment Ltd.	- (-)	- (-)	- (-)	2,913,271 (-)
	(viii) Interest Expenses				
	- SQL Star International Ltd	- (-)	- (-)	- (-)	62,466 (50,959)
	- N.N. Financial Services Pvt. Ltd.	- (-)	- (-)	- (-)	120,219 (-)
	(ix) Purchase of securities & derivative instruments				
	- Systematix Shares & Stocks (I) Ltd.	- (-)	- (-)	- (-)	486,105,598 (632,919,887)

Sr. No.	Nature of transactions	Subsidiary companies	Associate companies	Key management personnel	Companies in which directors have significant influence
		Rupees	Rupees	Rupees	Rupees
(x)	Sale of securities & derivative instruments				
	- Systematix Shares & Stocks (I) Ltd.	- (-)	- (-)	- (-)	935,091,345 (568,151,083)
(xi)	Directors Fees				
	- C P Khandelwal	- (-)	- (-)	78,000 (45,000)	- (-)
	- Sanjay Dangi	- (-)	- (-)	66,000 (38,000)	- (-)
	- Bipin Agarwal	- (-)	- (-)	15,000 (-)	- (-)
	- Swaran Singh	- (-)	- (-)	15,000 (-)	- (-)
(II)	Receivable as at year end				
	- IIT Corporate Services Ltd.	- (82,848,000)	- (-)	- (-)	- (-)
	- IIT Investrust Ltd.	99,930,435 (140,870,620)	- (-)	- (-)	- (-)
	- Nu-tech Corporate Services Ltd.	- (-)	- (44,017,131)	- (-)	- (-)
	- Systematix Shares & Stocks (I) Ltd.	- (-)	- (-)	- (-)	- (1,540,819)
(III)	Provisions thereagainst				
	- IIT Corporate Services Ltd.	- (82,848,000)	- (-)	- (-)	- (-)
	- IIT Investrust Ltd.	99,930,435 (140,870,620)	- (-)	- (-)	- (-)
	- Nu-tech Corporate Services Ltd.	- (-)	- (44,017,131)	- (-)	- (-)
(IV)	Payables as at year end				
	- SQL Star International Ltd.	- (-)	- (-)	- (-)	- (5,000,000)
	- N.N. Financial Services Pvt. Ltd.	- (-)	- (-)	- (-)	50,000,000 (-)

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



(iii) Additional disclosure pursuant to Circular CRD/GEN/2003/1 dated February 6, 2003 of The Stock Exchange, Mumbai:

	Name	Balance as at 31 st March, 2008 Rupees	Maximum amount outstanding during the year ended 31 st March, 2008 Rupees
A.	Loans and advances in the nature of loans to subsidiaries and associates -		
	1) IIT Corporate Services Ltd. *	- (82,848,000)	- (89,685,000)
	2) IIT Investrust Ltd. *	99,930,435 (140,870,620)	140,990,620 (143,930,000)
	3) Nu-tech Corporate Services Ltd. *	- (44,017,131)	- (44,902,131)
B.	Others (excluding loans and advances in the nature of loan other than for purchase of shares)	334,043,677 (16,871,666)	369,911,743 (47,600,126)

* No repayment schedule and no interest charged.

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

(6) Consequent to The Reserve Bank of India (Amendment) Act, 1997, coming into force effective January 9, 1997, wherein all Non-Banking Financial Companies are required to transfer a sum not less than twenty percent of its net profit after tax to a reserve, the company has transferred the required amount to a reserve created therefor, titled as 'Special Reserve'.

31-03-2008	31-03-2007
Rupees	Rupees

(7) Investments include:

Shares pledged with the bodies corporate for loans availed by the company and its subsidiaries

at average cost	-	64,512,835
at market value	-	65,284,169

(8) 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.

(9) Pursuant to the completion of takeover formalities under SEBI (Substantial acquisition of shares and takeover) Regulations 1997, there has been a change in the management / control of the Company with effect from March 5, 2008. The present Board of Directors consists of Dr. B. Samal (Chairman), Mr. Bipin Agarwal, Mr. Swaran Singh, Mr. T. Nagrajan and Mrs. Thankom Mathew (LIC Nominee).

(10) Employee benefits :Effective April 1, 2007 the Company has adopted revised Accounting Standard 15 'Employee Benefits'. Pursuant to the adoption, no adjustment was required to be made to general reserve as there is no impact of revised AS-15.

(a) Defined Contribution Plan

Contribution to Defined Contribution Plan recognised in the statement of profit and loss account under payments to and provision for employees, in Schedule "I" for the year are as under:

Employer's contribution to Provident Fund	Rs. 118,644
Employer's contribution to Family Pension Fund	Rs. 33,001

(b) Defined Benefit Plan

Gratuity - As per actuarial valuation as on 31st March, 2008	Gratuity (Funded) Rs.
--	-----------------------------

1 Reconciliation of Opening and closing balance of defined Benefit obligation

	Present value of Defined Benefit obligation as at March 31, 2007	72,224
	Interest Cost	5,778
	Service cost	53,872
	Net Actuarial (Gain)/Loss	14,599
	Present value of Defined Benefit Obligation as at March 31, 2008	146,473
2	Reconciliation of fair value of plan assets	
	Fair value of plan assets as at March 31, 2007	3,58,539
	Actual return on plan assets	35,118
	Net Actuarial Gain/(Loss)	-
	Employer's contribution	-
	Benefits paid	-
	Fair value of plan assets as at March 31,2008	5,25,128
3	Net assets/(liabilities) recognised in the Balance Sheet	
	Present Value of defined benefit obligation as on March 31, 2008	(1,46,473)
	Fair value of plan assets	5,25,128
	Net asset/(liability) recognised in Balance Sheet	3,78,655
4	Expenses recognised in the Income Statement	
	Current Service Cost	53,872
	Interest Cost	5,778
	Expected return on plan assets	-
	Net Actuarial (Gain)/Loss	14,599
	Total expenses recognised in the profit and loss account	74,249
	In Schedule 'I' under:	
	Contribution to provident and other funds	
5	Actuarial assumptions	LIC (1994-96)
	Mortality Table	Ultimate
	Discount Rate(per annum)	8.00%
	Expected rate of return on Plan Assets	9.80%
	Salary escalation	5.00%
6	The above information is certified by the actuary. This being first year of implementation, previous year figures have not been given.	
7	The information in respect of defined benefit obligation for previous years as required by para 120(n) of AS-15 (revised) are not available and hence not furnished. This disclosure has no bearings on the current year's financial numbers.	
	(11) The figures relating to the previous year have been regrouped where necessary.	

Signatures to Schedules "A" to "K"

As per our report attached

For and on behalf of the Board of Directors

For A. F. FERGUSON & CO.
Chartered Accountants

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

A. C. KHANNA
Partner

CUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

Mumbai : June 30, 2008



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
--	--	--	--	---	---	---	---

Balance Sheet Date

3	1	0	3	2	0	0	8
---	---	---	---	---	---	---	---

State Code

1	1
---	---

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

Public Issue	Rights Issue																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										
Bonus Issue	Private Placement																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										

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

Total Liabilities	Total Assets																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>			7	0	9	2	9	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>			7	0	9	2	9	3
		7	0	9	2	9	3										
		7	0	9	2	9	3										
Source of Funds:																	
Paid up Capital	Reserves & Surplus																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr></table>			1	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>			5	5	9	2	9	3
		1	0	0	0	0	0										
		5	5	9	2	9	3										
Secured Loans	Unsecured Loans																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr></table>			5	0	0	0	0	0
					N	I	L										
		5	0	0	0	0	0										
Application of Funds:																	
Net Fixed Assets	Investments																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr></table>					6	3	4	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr></table>			3	5	0	6	2	9
				6	3	4	0										
		3	5	0	6	2	9										
Net Current Assets	Deferred tax asset (net)																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">4</td></tr></table>			3	5	2	3	2	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L
		3	5	2	3	2	4										
					N	I	L										
Misc. Expenditure	Accumulated Losses																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										

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

Turnover (including other income)	Total Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">8</td></tr></table>			1	9	4	1	3	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px;"></td></tr></table>			4	9	5	1	5	
		1	9	4	1	3	8										
		4	9	5	1	5											
Profit(+)/Loss(-) Before Tax	Profit(+)/Loss(-) After Tax																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>			1	4	4	6	2	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>			1	2	8	3	5	3
		1	4	4	6	2	3										
		1	2	8	3	5	3										
Earnings per share in Rs.	Dividend (%)																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">.</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px;"></td></tr></table>			1	2	.	8	4		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px;"></td></tr></table>						2	0	
		1	2	.	8	4											
					2	0											

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

Item Code No.(ITC Code)	Product Description																						
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N.</td><td style="width: 20px; height: 20px; text-align: center;">A.</td></tr></table>						N.	A.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">V</td><td style="width: 20px; height: 20px; text-align: center;">E</td><td style="width: 20px; height: 20px; text-align: center;">S</td><td style="width: 20px; height: 20px; text-align: center;">T</td><td style="width: 20px; height: 20px; text-align: center;">M</td><td style="width: 20px; height: 20px; text-align: center;">E</td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">T</td><td style="width: 20px; height: 20px; text-align: center;">S</td></tr></table>	I	N	V	E	S	T	M	E	N	T	S				
					N.	A.																	
I	N	V	E	S	T	M	E	N	T	S													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N.</td><td style="width: 20px; height: 20px; text-align: center;">A.</td></tr></table>						N.	A.	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">C</td><td style="width: 20px; height: 20px; text-align: center;">O</td><td style="width: 20px; height: 20px; text-align: center;">R</td><td style="width: 20px; height: 20px; text-align: center;">P</td><td style="width: 20px; height: 20px; text-align: center;">O</td><td style="width: 20px; height: 20px; text-align: center;">R</td><td style="width: 20px; height: 20px; text-align: center;">A</td><td style="width: 20px; height: 20px; text-align: center;">T</td><td style="width: 20px; height: 20px; text-align: center;">E</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>	C	O	R	P	O	R	A	T	E						
					N.	A.																	
C	O	R	P	O	R	A	T	E															
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>												<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">S</td><td style="width: 20px; height: 20px; text-align: center;">E</td><td style="width: 20px; height: 20px; text-align: center;">R</td><td style="width: 20px; height: 20px; text-align: center;">V</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">C</td><td style="width: 20px; height: 20px; text-align: center;">E</td><td style="width: 20px; height: 20px; text-align: center;">S</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>	S	E	R	V	I	C	E	S			
S	E	R	V	I	C	E	S																

DR.B.SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
Vice President (Legal)
& Company Secretary

Mumbai: June 30, 2008

The Board of Directors
Industrial Investment Trust Limited,
28, Bombay Samachar Marg,
Mumbai - 400001.

Auditors' Report under The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 vide Notification No. DFC. 117/DG (SPT) - 98 dated 2.1.1998 (hereinafter referred to as directions to the auditors) in respect of the year ended 31st March, 2008

We have issued our audit report dated 30th June, 2008 to the members of Industrial Investment Trust Limited on the accounts for the year ended 31st March, 2008 under section 227 of the Companies Act, 1956 (hereinafter referred to as Audit report on the accounts, dated 30th June, 2008). In terms of the directions to the auditors, in addition to our report under section 227, we are required to issue a separate report to the Board of directors of the company on the matters specified in paragraphs 3 and 4 thereof.

On the basis of our audit of the balance sheet as at 31st March, 2008 and the profit and loss account of the company for the year ended on that date covered by our Audit report on the accounts, dated 30th June, 2008, and on the basis of the information and explanations given to us, we report as under:-

- A. The company has been incorporated before January 9, 1997 and it had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) on 8th July, 1997. The company has obtained a certificate of registration from Reserve Bank of India under Registration No.B-13.01368 on 15th September, 2000.
- B. (i) A circular resolution has been passed by the Board of Directors on 7th June, 2000, to the effect that the Company will not accept public deposits.
- (ii) The company has not accepted any public deposits during the year 2007-2008.
- (iii) In our opinion, the company has complied with the prudential norms on income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts, as applicable to it.

For A. F. FERGUSON & CO.
Chartered Accountants

A. C. KHANNA
Partner
Membership No. 17814

Mumbai: June 30, 2008

SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY

(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank), Directions, 1998)

Particulars	31-03-2008		31-03-2007	
	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	50,000,000	-	104,863,693	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans - Cash credit from bank	-	-	-	-
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other Public deposits	-	-	-	-



Particulars	31-03-2008		31-03-2007	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Assets side :				
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured		-		-
(b) Unsecured		239,264,528		45,584,249
(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 :				
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		190,192,311		569,300,555
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of Mutual funds		160,190,589		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted :				
(i) Shares : (a) Equity		-		71,236,180
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of Mutual funds		-		-
(iv) Government Securities		-		-
(v) Others - Immovable property		246,007		258,955
(vi) Others-Share Application Money		-		-

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

Category	31-03-2008			31-03-2007		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	239,264,528	239,264,528	-	45,584,249	45,584,249
Total	-	239,264,528	239,264,528	-	45,584,249	45,584,249

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

Category	31-03-2008		31-03-2007		
	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	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-
(c) Other related parties	-	-	8,345,439	71,236,180	-
2. Other than related parties	283,718,771	350,382,900	557,566,422	569,300,555	-
Total	283,718,771	350,382,900	565,911,861	640,536,735	-

(8) Other information

Particulars	31-03-2008 Amount	31-03-2007 Amount
(i) Gross Non-performing Assets		
(a) Related parties	217,340,435	423,897,935
(b) Other than related parties	132,761,446	73,452,129
(ii) Net Non-performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
Vice President (Legal)
& Company Secretary

Mumbai : June 30, 2008



SCHEDULE OF INVESTMENTS FORMING PART OF SCHEDULE "E" TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

Name of the Company	Face Value per Scrip Rupees	As at 31.3.2008		As at 31.3.2007	
		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 CORPORATE SERVICES LIMITED	100	-	-	500,000	1,000,000
Total			117,410,000		118,410,000
Equity shares, fully paid-up:					
YASH SAFETY PRODUCTS (I) LIMITED	10	-	-	330,000	3,300,000
Total			-		3,300,000
Ordinary shares, fully paid-up:					
NORTH KANARA G.S.B. CO-OPERATIVE BANK LIMITED	10	-	-	2,000	20,000
Total			-		20,000
QUOTED TRADE INVESTMENTS					
Equity shares, fully paid-up:					
NU-TECH CORPORATE SERVICES LIMITED	10	-	-	3,676,405	37,752,184
Total			-		37,752,184
UNQUOTED OTHER INVESTMENTS					
Equity shares, fully paid-up:					
ADAPT INVESTMENTS COMPANY LIMITED	10	-	-	565	5,650
ADORN INVESTMENTS COMPANY LIMITED	10	-	-	565	5,650
ALCOCK ASHDOWN COMPANY LIMITED (IN LIQUIDATION)	100	-	-	950	81,462
CALCUTTA STEAM NAVIGATION COMPANY LIMITED (IN LIQUIDATION)	10	-	-	1,870	37,839
CHAHAL INVESTMENTS AND TRADING COMPANY LIMITED	1	-	-	300	300
COSMOPOLITAN INVESTMENTS LIMITED	10	-	-	1,130	11,300
DYNAMATIC FORGINGS INDIA LIMITED	10	-	-	2,000	48,050
ELSTONE ESTATES AND INDUSTRIES LIMITED	1	-	-	17,176	17,176
GAEKWAR MILLS LIMITED	100	-	-	620	64,477
GLOBE STEERING LIMITED	10	-	-	24,300	27,945
INDIAN SEAMLESS ENTERPRISES LIMITED	10	-	-	54	-
IRIS SMARTCARDS LIMITED	5	-	-	360,000	10,800,000
KILOBYTES (INDIA) LIMITED	10	-	-	90,000	900,000
LAKSHMI PRECISION TOOLS LIMITED	10	-	-	1,000	15,500
MAFATLAL ENGINEERING INDUSTRIES LIMITED	100	-	-	1,640	173,395
MAXOPP INVESTMENTS LIMITED	1	-	-	500	500
MONTARI AGROCHEM INVESTMENTS LIMITED	1	-	-	400	400
MONTARI CHEMCARE INVESTMENTS LIMITED	1	-	-	300	300
NEW BEERBHOOM COAL COMPANY LIMITED	10	-	-	700	22,687
NEW INDIA INVESTMENT CORPORATION LIMITED	75	-	-	10	750
OSMANSHAHI MILLS LIMITED	100	-	-	175	18,076
PUNALUR PAPER MILLS LIMITED	10	-	-	2,000	9,000
PUNJAB ANAND BATTERIES LIMITED	10	-	-	3,000	65,278
RAMPUR MAIZE PRODUCTS LIMITED (IN LIQUIDATION)	10	-	-	1,000	-

SCHEDULE OF INVESTMENTS FORMING PART OF SCHEDULE "E" TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

Name of the Company	Face Value per Scrip Rupees	As at 31.3.2008		As at 31.3.2007	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
SEVENSEAS TRANSPORTATION LIMITED	10	-	-	6,500	35,985
SOUTHERN BORAX LIMITED	10	-	-	2,000	2,100
SOUTHERN WIND FARMS PRIVATE LIMITED	10	-	-	1,388,880	49,999,680
SYMBIOTEC PHARMALAB PRIVATE. LIMITED	10	-	-	226,200	10,405,200
WG FORGE & ALLIED INDUSTRIES LIMITED	10	-	-	750	11,198
Total			-		72,759,898
Name of the Company	Face Value per Scrip Rupees	As at 31.3.2008		As at 31.3.2007	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
Preference shares, fully paid-up:					
BENGAL PAPER MILLS COMPANY LIMITED 9.10% "A" CUMULATIVE	100	-	-	25	3,540
CLIVE MILLS COMPANY LIMITED 9.10% CUMULATIVE "A" (IN VOLUNTARY LIQUIDATION)	100	-	-	100	12,644
PRESTIGE FOODS LIMITED 10% NON-CUMULATIVE CONVERTIBLE	10	-	-	142,000	1,420,000
PUNALUR PAPER MILLS LIMITED 9.50% REDEEMABLE CUMULATIVE	100	-	-	500	50,000
Total			-		1,486,184
Units of Mutual Fund, fully paid-up:					
BIRLA SUN LIFE LIQUID PLUS-Instl.- Daily Dividend-Reinvestment		3,997,282	40,000,000	-	-
LOTUS INDIA LIQUID FUND- Institutional Daily Dividend		12,017,016	120,190,589	-	-
Total			160,190,589		-
QUOTED OTHER INVESTMENTS					
Debentures and Bonds, fully paid-up:					
AHMEDABAD MANUFACTURING & CALICO PRINTING COMPANY LIMITED 15% CONVERTIBLE BONDS	90	-	-	480	27,146
AHMEDABAD MANUFACTURING & CALICO PRINTING COMPANY LIMITED	104.40	-	-	1,918	14,762
Total			-		41,908
Equity shares, fully paid-up:					
ADLABS FILMS LIMITED	5	4,500	5,860,020	-	-
ANSAL PROPERTIES AND INFRASTRUCTURE LIMITED	5	10,000	4,305,646	-	-
AVON INDUSTRIES LIMITED	10	-	-	1,100	28,725
BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED	10	2,000	1,919,791	-	-
CARRIER AIRCON LIMITED	10	-	-	100	1,891
CENTURY ENKA LIMITED	10	-	-	4,000	6,430
CO-NICK ALLOYS (INDIA) LIMITED	10	-	-	20,000	200,000
DUNCAN BROTHERS & COMPANY LIMITED	10	-	-	565	52,371



Name of the Company	Face Value per Scrip Rupees	As at 31.3.2008		As at 31.3.2007	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
EMPEE DISTILLERIES LIMITED	10	2,500	952,940	-	-
FLORA WALL COVERINGS LIMITED	10	-	-	1,000	22,800
GEODESIC INFORMATION SYSTEMS LIMITED	2	-	-	80,000	19,803,217
GLAXOSMITHKLINE PHARMACEUTICALS LIMITED	10	-	-	391	466,691
GMR INFRASTRUCTURE LIMITED	2	9,950	1,655,595	-	-
GRASIM INDUSTRIES LIMITED	10	-	-	6,000	11,863,374
GUJARAT STATE FERTILISERS & CHEMICALS LIMITED	10	20,000	6,839,329	-	-
HERDILLIA OXIDES AND ELECTRONICS LIMITED	10	-	-	200	3,600
HBL POWER SYSTEMS LIMITED	10	945	427,825	-	-
HINDUSTAN CONSTRUCTION COMPANY LIMITED	1	9,000	1,666,539	-	-
INDIAN SEAMLESS METAL TUBES LIMITED	5	-	-	202	10,213
IFCI LIMITED	10	35,000	1,779,129	-	-
JAIPRAKASH ASSOCIATES LIMITED	2	2,500	903,633	-	-
JET AIRWAYS INDIA LTD.	10	2,000	2,006,929	-	-
JOONKTOLLEE TEA & INDUSTRIES LIMITED	10	-	-	11,002	582,614
J .K.CEMENT LIMITED	10	10,000	2,234,479	16,128	3,091,504
KAASHYAP RADIANT SYSTEMS LIMITED	1	-	-	1,400	226,090
KCP SUGAR & INDUSTRIES CORPORATION LIMITED	1	-	-	20,000	1,196,105
KESAR ENTERPRISES LIMITED	10	-	-	22,741	5,806,747
KHAITAN ELECTRICALS LIMITED	10	-	-	598,342	66,609,029
KINGS INTERNATIONAL AQUA MARINE EXPORTS LIMITED	10	-	-	3,000	57,000
KIRLOSKER ELECTRIC LIMITED	10	-	-	10,000	1,504,463
LIBERTY SHOES LIMITED	10	-	-	10,680	1,731,766
LARSEN AND TOUBRO LIMITED	2	2,500	8,545,326	-	-
MACKINNON MACKENZIE AND COMPANY LIMITED	10	-	-	2,750	16,363
MAHAMAYA INVESTMENTS LIMITED	10	-	-	1,500	13,438
MERCATOR LINES LTD.	1	6,080	904,607	-	-
MEHAR DAIRY INDUSTRIES LIMITED	10	-	-	1,000	16,200
NAVINON LIMITED	10	-	-	58,710	1,273,853
NEPC INDIA LIMITED	10	-	-	1,484,683	38,536,475
NESTLE INDIA LIMITED	10	-	-	1,300	11,109
NIIT TECHNOLOGIES LIMITED	10	15,000	2,100,596	-	-
OIL AND NATURAL GAS CORPORATION LIMITED	10	-	-	1,275	554,708
OM METAL MINERALS INFRA LIMITED	10	-	-	87,881	4,881,386
PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED	10	-	-	200	201,000
PATEL ENGINEERING LIMITED	1	4,500	4,588,256	-	-
PETRONET LNG LIMITED	10	24,000	1,644,826	-	-
POWER GRID CORPORATION OF INDIA LIMITED	10	42,000	4,622,927	-	-
RAVLON PEN COMPANY LIMITED	10	-	-	2,000	86,620
REED RELAYS & ELECTRONICS INDIA LIMITED	10	-	-	16,800	801,340
RELIANCE CAPITAL LIMITED	10	3,000	8,371,337	100	56,185
RELIANCE COMMUNICATIONS LIMITED	5	12,980	10,619,870	1,000	315,634
RELIANCE ENERGY LIMITED	10	-	-	150	124,900
RELIANCE INDUSTRIES LIMITED	10	-	-	2,000	1,622,867
RELIANCE NATURAL RESOURCES LIMITED	5	-	-	2,500	56,518
RELIANCE PETROLIUM LIMITED	10	39,300	10,037,676	-	-
RELIANCE POWER LIMITED	10	29,845	11,781,833	-	-
RENEWABLE ENERGY SYSTEM LIMITED	10	-	-	1,200	30,000

SCHEDULE OF INVESTMENTS FORMING PART OF SCHEDULE "E" TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008

Name of the Company	Face Value per Unit Rupees	As at 31.3.2008		As at 31.3.2007	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
RPG LIFE SCIENCES LIMITED	10	-	-	223,167	43,611,465
RUCHI SOYA INDUSTRIES LIMITED (2006-07 Face value Rs. 10)	2	60,000	8,836,334	775,038	260,407,898
SAKURA SEIMITSU (INDIA) LIMITED	10	-	-	2,000	89,000
SALZER ELECTRONICS LIMITED	10	-	-	102,604	10,290,685
SESA GOA LIMITED	10	14	54,732	-	-
SM DYECEM LIMITED	10	-	-	5,200	171,600
SQL STAR INTERNATIONAL LIMITED	10	547,677	22,685,544	2,179,843	88,493,896
STATE BANK OF INDIA	10	-	-	500	450,678
STERLITE INDUSTRIES LIMITED	2	9,500	8,895,433	-	-
SUPER SPINNING MILLS LIMITED	1	-	-	353,080	16,195,336
TATA MOTORS LIMITED	10	-	-	3,823	3,100,048
TATA STEEL LIMITED	10	9,500	7,920,415	-	-
TATA TEA LIMITED	10	-	-	900	581,611
TRANSTREAM INDIA.COM LIMITED	10	-	-	1,000	380,180
UNIPON (INDIA) LIMITED	10	-	-	100	1,722
UNITECH LIMITED	2	85,000	44,049,610	-	-
UNITED BREWERIES HOLDINGS LIMITED	10	893	806,572	-	-
VAIBHAV GEMS LIMITED	10	-	-	1,712	768,456
VISAKA IND LIMITED	10	-	-	21,496	3,185,347
VYBRA AUTOMET LIMITED	10	-	-	150,555	11,141,868
WELSPUN GUJARAT STAHL ROHREN LIMITED	5	-	-	300,000	30,709,543
WESTERN INDIA INDUSTRIES LIMITED	10	-	-	450	27,000
WESTERN PAQUES (INDIA) LIMITED (UNDER LIQUIDATION)	10	-	-	4,000	260,000
WOCKHARDT LIMITED	5	7,500	3,174,562	-	-
Total			190,192,311		631,729,559

INDUSTRIAL INVESTMENT TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

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

1. We have audited the attached consolidated balance sheet of Industrial Investment Trust Limited and its subsidiaries as at 31st March, 2008, and also the consolidated profit and loss account and cash flow statement for the year then ended. These financial statements are the responsibility of the Industrial Investment Trust Limited'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 misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.41,017,407 as at 31st March, 2008, total revenues of Rs.52,031,009 and net cash flows from operating activities amounting to Rs.10,674,158 (outflow). These financial statements have been audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
 - b) In case of IIT Corporate Services Limited having total revenue of Rs.264,404 for the period ended 31st August, 2007, the figures used for the consolidation are based on the management's estimates and therefore unaudited.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified under the Companies Act, 1956 and on the basis of the separate audited financial statements of Industrial Investment Trust Limited and its subsidiaries included in the consolidated financial statements.
5. The consolidated balance sheet includes assets aggregating Rs. 41,017,407, liabilities aggregating Rs.10,615,812, revenue Rs. 52,031,009 and profit and loss account (debit balance) Rs.195,698,840 relating to subsidiary companies whose accounts have been prepared on a going concern basis although the accumulated losses exceeds its paid-up capital (refer Note 5 on Schedule "K")
6. On the basis of the information and explanations given to us, subject to the matters referred to in paragraph 3(b) and 5 above, based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For A. F. Ferguson & Co.
Chartered Accountants

A. C. Khanna
Membership No. 17814
Partner

Mumbai: June 30, 2008



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	589,695,045	500,955,797
		689,695,045	600,955,797
(2) LOAN FUNDS			
(a) Secured loans	"C"	-	30,000,000
(b) Unsecured loans		50,000,000	74,863,693
		50,000,000	104,863,693
Total		739,695,045	705,819,490
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"D"	66,203,838	95,539,840
(b) Less: Depreciation		49,894,998	69,952,309
(c) Net Block		16,308,840	25,587,531
(2) INVESTMENTS			
"E"		350,628,907	648,320,763
(3) CURRENT ASSETS, LOANS AND ADVANCES			
(a) Sundry debtors	"F"	68,890,040	44,449,129
(b) Cash and bank balances		87,676,865	3,873,749
(c) Other current assets		17,544,131	-
(d) Loans and advances		251,404,159	53,209,755
		425,515,195	101,532,633
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	"G"	18,573,209	45,906,534
(b) Provisions		34,184,688	23,714,903
		52,757,897	69,621,437
NET CURRENT ASSETS		372,757,298	31,911,196
(4) PROFIT & LOSS ACCOUNT			
(Debit balance)		-	-
Total		739,695,045	705,819,490

Notes to the Accounts

"K"

As per our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

For and on behalf of the Board of Directors
DR. B.SAMAL
Chairman
BIPIN AGARWAL
Director

A. C. KHANNA
Partner

CUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

Mumbai : June 30, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Schedule	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees	
INCOME			
Dividend on long term investments - other than trade Interest	"H"	1,842,849	6,832,688
Rent on immovable property		27,913,300	5,872,759
Service charges		13,665,840	12,432,660
Net profit on sale of long term investments		227,453	115,022
Net profit on sale of investments in associates		82,474,351	651,595
Net profit on sale of fixed assets		7,767,833	-
Reversal of provision for diminution in the value of investments		3,036,193	1,336,905
Provision for doubtful deposits / loans and interest accrued no longer required		68,800,814	-
Miscellaneous		-	3,171,953
		509,249	462,417
Total		206,237,882	30,875,999
EXPENDITURE			
Management expenses	"I"	14,957,015	10,847,240
Bad debts written off		-	2,149,863
Provision for diminution in the value of investments		-	59,500,000
Provision for doubtful deposit		1,245,000	-
Deposit/interest with bodies corporate written off		-	2,257,904
Net loss on sale of long term investments		21,964,810	52,313,935
Loss on sale of subsidiary		500,000	-
Net loss on trading in shares & equity derivatives instruments		487,518	46,410,317
Depreciation on fixed assets		1,874,761	4,326,314
Depreciation on immovable property		12,948	13,628
Interest expenses	"J"	12,305,708	25,930,362
Total		53,347,760	203,749,563
Profit before tax		152,890,122	(172,873,564)
Provision for taxation		-	-
- Current tax		(26,730,000)	-
- Fringe benefit tax		(70,137)	(210,660)
Net Profit		126,089,985	(173,084,224)
Add: Balance brought forward from last year		76,414,655	272,897,879
Add: Adjustments consequent to sale of subsidiary during the year		86,052,597	-
Amount available for appropriation		288,557,237	99,813,655
Less: Appropriations			
Transfer to special reserve (See Note 7)		26,000,000	-
Proposed dividend		20,000,000	20,000,000
Corporate dividend tax		3,399,000*	3,399,000
* (in respect of previous year)		-	-
Transfer to general reserve		13,000,000	-
Balance carried to balance sheet		226,158,237	76,414,655
Basic and diluted earnings per equity share (Rs.) (See Note 10)		12.61	(17.31)
Notes to the Accounts	"K"		

As per our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

For and on behalf of the Board of Directors
DR. B.SAMAL
Chairman
BIPIN AGARWAL
Director

A. C. KHANNA
Partner

CUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

Mumbai : June 30, 2008

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees		Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES			C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Profit Before Tax	152,890,122	(172,873,564)	Proceeds from borrowings	477,508,444	1,166,830,972
Adjustments for:			Repayment of borrowings	(572,812,322)	(1,504,397,599)
Depreciation	1,887,709	4,339,942	Increase/(Decrease) in cash credit	-	(1,784,181)
Interest other than interest on investments	(27,913,300)	(5,872,759)	Dividend paid	(19,657,732)	(19,794,143)
Interest charged	12,305,708	25,930,362	Corporate dividend tax	(3,399,000)	(2,805,000)
Dividend income	(746)	(78,077)	Net cash used in financing activities	(118,360,610)	(361,949,951)
Net loss/(profit) on sale of investments	(60,509,541)	51,662,340	NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	83,900,375	(7,626,021)
Net loss on sale of subsidiaries	500,000	-			
Net profit on sale of investments in associates	(7,767,833)	-	D. CASH AND CASH EQUIVALENTS		
Net profit on sale of fixed assets	(3,036,193)	(1,336,905)	As at the commencement of the year, comprising:		
Reversal of provision for diminution in the value of investments	(68,800,814)	-	Cash and stamps on hand	27,592	12,630
Provisions/(write back of provision) for doubtful deposit/loans and interest accrued	-	(3,171,953)	Cheques on hand	88,823	5,000,000
Provision for diminution in value of investments	-	59,500,000	With Scheduled banks on current, fixed deposit and other accounts	3,757,334	6,487,140
Provision for doubtful deposit	1,245,000	-		3,873,749	11,499,770
Operating Profit before working capital changes and other adjustments	800,112	(41,900,614)	Less: On account of share of subsidiaries sold during the year	97,259	-
Working capital changes (Decrease)/ Increase in Current Liabilities	(27,091,037)	32,867,758		3,776,490	11,499,770
Increase in Leave encashment	53,021	34,975	As at the end of the year, comprising:		
(Increase)/Decrease in Sundry Debtors	(26,372,010)	67,711,124	Cash and stamps on hand	22,118	27,592
(Increase)/Decrease in Advances and other Current Assets	(1,232,315)	1,926,411	Cheques on hand	-	88,823
Other adjustments :			With Scheduled banks on current, fixed deposit and other accounts	87,654,747	3,757,334
Purchase of investments	(1,272,652,034)	(1,375,454,823)		87,676,865	3,873,749
Sale of investments	1,692,126,224	1,646,528,753	NET (DECREASE) AS DISCLOSED ABOVE	83,900,375	(7,626,021)
Sale of investments in subsidiaries	500,000	-			
Sale of investments in associates	7,767,833	-			
Interest received other than interest on investments	10,369,169	6,387,397			
Interest paid	(12,305,708)	(27,550,073)			
Cash generated from operations	371,963,255	310,550,908			
Direct taxes paid (net)	(30,383,415)	(20,184,039)			
Net cash from operating activities	341,579,840	290,366,869			
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(1,815,600)	(6,536,955)			
Sale of Fixed assets	11,871,666	2,481,000			
Loans granted	(371,464,571)	(38,741,468)			
Repayment of Loans granted	222,088,904	106,676,407			
Dividend income	746	78,077			
Net cash from investing activities	(139,318,855)	63,957,061			

As per our report attached

For A. F. FERGUSON & CO.
Chartered Accountants

A. C. KHANNA
Partner

Mumbai : June 30, 2008

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

CUMI A. BANERJEE
Vice President (Legal) & Company Secretary

Mumbai : June 30, 2008

BIPIN AGARWAL
Director



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees		As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "A"			SCHEDULE "C"		
SHARE CAPITAL			LOAN FUNDS		
Authorised:			(a) Secured loans:		
15,000,000 Equity shares of Rs.10 each	150,000,000	150,000,000	Loans from bodies corporate secured against pledge of shares (repayable within a year Rs.Nil previous year Rs.30,000,000)	-	30,000,000
Issued, subscribed and paid-up:			(b) Unsecured loans:		
10,000,000 Equity shares of Rs.10 each fully paid-up	100,000,000	100,000,000	Short term loans from bodies corporate	50,000,000	74,863,693
Total	100,000,000	100,000,000	Total	50,000,000	104,863,693
SCHEDULE "B"					
RESERVES AND SURPLUS					
Capital reserve: (i)					
Balance as per last balance sheet	51,005,084	51,005,084			
Less : Share of susidiary sold during the year	51,004,334	-			
	750	51,005,084			
General reserve: (ii)					
Balance as per last balance sheet	146,293,058	146,293,058			
Add: Transferred from profit and loss account	13,000,000	-			
	159,293,058	146,293,058			
Share of holding company in the capitalised post acquisition earnings of subsidiaries: (iii)					
Balance as per last balance sheet	49,000,000	49,000,000			
Less : Share of susidiary sold during the year	49,000,000	-			
	-	49,000,000			
Special reserve (See Note 7) (iv)					
Balance as per last balance sheet	178,243,000	178,243,000			
Add: Transferred from profit and loss account	26,000,000	-			
	204,243,000	178,243,000			
Balance in Consolidated profit and loss account (v)	226,158,237	76,414,655			
	226,158,237	76,414,655			
Total	589,695,045	500,955,797			

SCHEDULE TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE "D"
FIXED ASSETS

	COST				DEPRECIATION				NET BLOCK	
	As at 31-03-2007 Rupees	Additions during the year Rupees	Deductions/ Adjustments during the year Rupees	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees	For the year Rupees	Deductions/ Adjustments during the year Rupees	As at 31-03-2008 Rupees	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
Buildings	14,635,000	-	5,535,000	9,100,000	6,337,303	249,313	1,924,458	4,662,158	4,437,842	8,297,697
Furniture, fixtures & office equipment	35,592,831	761,575	24,232,151	12,122,255	23,695,454	1,089,886	16,230,740	8,554,600	3,567,655	11,897,377
Motor cars	8,375,190	-	7,722,384	652,806	3,267,613	-	2,614,807	652,806	-	5,107,577
Computers	36,936,819	1,054,025	1,162,067	36,828,777	36,651,939	535,562	1,162,067	36,025,434	803,343	284,880
BSE Card	-	-	7,500,000	7,500,000	-	-	-	-	7,500,000	-
Total	95,539,840	1,815,600	31,151,602	66,203,838	69,952,309	1,874,761	21,932,072	49,894,998	16,308,840	
Previous Year	90,680,683	6,536,955	1,677,798	95,539,840	66,159,698	4,326,314	533,703	69,952,309		25,587,531



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees		As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
SCHEDULE "E"			SCHEDULE "F"		
INVESTMENTS : Long Term (at or under cost)			CURRENT ASSETS, LOANS AND ADVANCES		
Trade Investments			(a) Sundry debtors (unsecured, considered good):		
Unquoted			Outstanding for a period exceeding six months		
Equity shares, fully paid-up	-	10,810,000		24,858,122	20,699,129
Ordinary shares, fully paid-up	-	20,000		44,031,918	23,750,000
	-	10,830,000		68,890,040	44,449,129
Less: Provision for diminution in the value of investments	-	(3,300,000)			
	-	7,530,000	(b) Cash and bank balances:		
Quoted:			Cash on hand		
Share in Associates (On Equity Method)				22,118	27,592
Nil (previous year 3,676,405) equity shares of Nu-tech Corporate Services Limited of Rs.10 each (excludes Capital Reserve of Rs. Nil; previous year Rs.3,039,219)	-	-		-	88,823
	-	7,530,000	With Scheduled banks:		
	-	-	On current accounts		
	-	-		6,297,528	784,299
	-	-	On unpaid dividend accounts		
	-	-		3,315,063	2,973,035
	-	-	On fixed deposit accounts		
	-	-		78,042,156	-
	-	-		87,676,865	3,873,749
	-	-	(c) Other current assets:		
	-	-	Interest accrued on fixed deposit		
	-	-		1,685,811	-
	-	-	Interest accrued on deposits with bodies corporate and others		
	-	-		16,009,635	151,315
	-	-	Less: Provision for doubtful interest		
	-	-		(151,315)	(151,315)
	-	-		17,544,131	-
	-	-	(d) Loans and advances (unsecured, considered good, unless otherwise stated):		
	-	-	Loan to subsidiaries		
	-	-		-	-
	-	-	Loans to others		
	-	-		2,433,546	12,362,694
	-	-	Deposits with bodies corporate (includes Rs. 140,000,000 (as at 31.03.2007 Rs. Nil) secured by way of pledge of shares] (considered doubtful: Rs		
	-	-		132,610,131; previous year: Rs. 48,517,131)	48,517,131
	-	-		331,610,131	60,879,825
	-	-		334,043,677	(48,517,131)
	-	-	Less: Provision for doubtful deposits		
	-	-		(132,610,131)	12,362,694
	-	-		201,433,546	17,185,861
	-	-	Advances recoverable in cash or in kind or for value to be received (See Note 12)		
	-	-		13,084,338	23,655,200
	-	-	Tax deducted at source, advance tax and taxes recoverable less provisions		
	-	-		36,880,275	6,000
	-	-	Deposit with Industrial Development Bank of India under the Investment Deposit Account Scheme, 1986		
	-	-		6,000	53,209,755
	-	-		251,404,159	101,532,633
	-	-	Total	425,515,195	101,532,633
	-	-		350,628,907	648,320,763
	-	-		190,192,311	569,300,555
	-	-	Aggregate amount of quoted investments		
	-	-		190,192,311	569,300,555
	-	-	[Market value Rs. 123,528,182; (Previous Year Rs.550,273,576)]*		
	-	-	Aggregate amount of unquoted investments		
	-	-		160,436,596	79,020,208
	-	-	Total	350,628,907	648,320,763

* [In the absence of quotation, cost of investments of RsNil.; (previous year Rs 4,553,620) have been considered as market value]

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees
SCHEDULE "G"				
CURRENT LIABILITIES AND PROVISIONS				
(a) Current liabilities:				
Sundry creditors (no outstanding dues of micro enterprises and small enterprises)	1,597,629	29,267,387		
Security and trade deposits	13,659,845	13,659,845		
Investor Protection and Education Fund shall be credited by the following amounts when due:				
Unclaimed dividends	3,315,735	2,973,467		
Unclaimed fixed deposits	-	5,835		
	<u>18,573,209</u>	<u>45,906,534</u>		
(b) Provisions:				
Leave encashment on retirement	144,460	91,439		
Proposed dividend	20,000,000	20,000,000		
Corporate dividend tax	3,399,000	3,399,000		
Provision for taxation	10,538,097	-		
Fringe benefit tax	103,131	224,464		
Total	<u>34,184,688</u>	<u>23,714,903</u>		
Total	<u>52,757,897</u>	<u>69,621,437</u>		
			Legal and professional	2,112,891
			Operation charges	21,266
			Directors' fees	303,000
			Membership fees	127,927
			Books, periodicals and subscription	2,461
			Office expenses	125,000
			Auditors' remuneration: (including service tax where applicable)	
			Audit fees	318,848
			Other services	555,175
			Out of pocket expenses	4,873
				<u>878,896</u>
			Miscellaneous	1,069,050
				<u>11,750,699</u>
			Total	<u>14,957,015</u>
				<u>10,847,240</u>
			SCHEDULE "J"	
			INTEREST EXPENSES :	
			Interest on fixed period loans/deposits	-
			Interest on loans-others	12,305,708
			Interest on cash credit	-
			Interest on corporate dividend tax	-
				3,992,969
				21,811,857
				41,386
				84,150
			Total	<u>12,305,708</u>
				<u>25,930,362</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31-03-2008 Rupees	Year ended 31-03-2007 Rupees
SCHEDULE "H"		
INTEREST:		
On deposits with banks	9,397,843	41,983
On loans to others	17,304,667	5,830,251
On income-tax refund	221,562	-
Others	989,228	525
Total	<u>27,913,300</u>	<u>5,872,759</u>
SCHEDULE "I"		
MANAGEMENT EXPENSES		
(i) Payments to and provisions for employees:		
Salaries and bonus	2,749,124	2,175,957
Contribution to provident and other funds	284,925	166,715
Staff welfare expenses	172,267	122,046
	<u>3,206,316</u>	<u>2,464,718</u>
(ii) Other expenses:		
Rates and taxes	176,493	308,083
Rent	2,605,570	2,571,200
Insurance	24,377	28,631
Securities Transaction Tax	-	2,399
Printing and stationery	202,683	206,705
Postage, freight and telephone	230,232	205,141
Electricity	682,171	505,033
Travelling and conveyance	291,319	516,809
Repairs and maintenance:		
Buildings	2,638,474	1,183,104
Computers	23,320	1,500
Others	235,569	141,958
	<u>2,897,363</u>	<u>1,326,562</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "K"

NOTES TO THE ACCOUNTS

(1) Basis of preparation:

The consolidated financial statements have been prepared in accordance with the Accounting Standard – 21 "Consolidated Financial Statements" and Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Companies Act, 1956.

(i) The subsidiary considered in the Consolidated Financial Statements is:

Name of the company	Country of incorporation	% of voting power held as at 31 st March, 2008
IIT Investtrust Limited (IITIL)	India	99.00

On 31st August, 2007, Industrial Investment Trust Limited (IITL) has divested its 100% stake in IIT Corporate Services Limited.

(ii) During the year, IITL has divested its 30.64% stake in Nu-tech Corporate Services Limited. Consequently, Nu-tech Corporate Services Limited is not an associate Company as on 31st March, 2008

(2) 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.

(ii) Revenue recognition:

- Net income from trading of securities is accounted for on the basis of stock brokers contract notes.
- Brokerage income from stock broking activities is on the basis of Contract Notes issued.
- Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.
- Revenue in case of corporate finance income is recognised on the proportionate completion method based on management estimates of the stages of completion of contracts.



SCHEDULE "K" (Contd..)

NOTES TO THE ACCOUNTS

(iii) Fixed Assets and Depreciation:

- (a) All fixed assets are stated at cost of acquisition less accumulated depreciation.
- (b) Depreciation on fixed assets and 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 and on the basis specified therein, except as stated in (c) below.
- (c) Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition except that depreciation on additions to assets given on lease after 31st March, 1994 is provided on a pro-rata basis from the month of addition. No depreciation is provided on deletions to fixed assets in the year of sale.
- (iv) Investments: Investments are valued at or under cost, with an appropriate provision for diminution in value. Investments in associate companies have been stated as per equity method.
- (v) Valuation of stock: Stock of shares in security has been valued at cost or market price whichever is lower. Cost is determined on weighted average basis.
- (vi) Taxes on income: Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods
- (vii) Impairment of assets: At each balance sheet date, the Company assesses the realizable value of all the assets. If there is any indication of fall in the realisable value over carrying cost of the assets, impairment in the value of the assets is recognised.
- (viii) Voluntary retirement scheme: Expenditure on voluntary retirement scheme incurred subsequent to 31st March, 2003 is fully charged off to Profit and Loss Account in the year in which it is incurred.
- (ix) 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.
- (x) Employee Benefits: (a) Short term employee benefit 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 employee 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 under the State Pension Scheme. 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:**
- 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 Pension and Group Schemes Department based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the profit and loss account.
 - 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 liability is recognised based on number of days of unutilized leave at each balance sheet date on an arithmetic basis.
- (xi) During the year IIT Investtrust Limited (a subsidiary), has reclassified the value of BSE Card of Rs. 7,500,000 as fixed assets from

investment, in view of the fact that the shares issued by BSE were not in lieu of BSE card.

	31-03-2008 Rupees	31-03-2007 Rupees
(3) Remuneration to Directors:		
(i) Managerial remuneration (excluding contribution to gratuity and for encashment of leave not separately available for IITL)		
Salary	699,499	753,508
Perquisites	-	-
Contribution to provident and other funds	-	-
Gratuity	-	20,852
	699,499	774,360
(ii) Directors' fees	292,000	200,000
	991,499	974,360
(4) (i) Contingent liabilities not provided for in respect of:		
(a) Disputed income-tax matters	25,919,770	26,400,583
(b) Disputed wealth-tax matters	-	3,250,246
(ii) IITIL in its capacity as a broker is liable to make good share return under objection to it in the event client/broker from whom the Company has received the shares does not do the necessary rectification within the stipulated time.		
(5) The management believes that IITIL is a going concern and will continue to be so in the foreseeable future, notwithstanding the fact that the Company has eroded its networth. Considering the steps initiated by the Company for recovery of its dues from its clients, including legal recourse, the Company is confident that the outstandings will be reduced in due course of time.		
(6) Investments include:		
Shares pledged with the bodies corporate for loans availed by the Company and its subsidiaries		
At average cost	-	64,512,835
At market value	-	65,284,169
(7) Consequent to The Reserve Bank of India (Amendment) Act, 1997, coming into force effective January 9, 1997, wherein all Non-Banking Financial Companies are required to transfer a sum not less than twenty percent of its net profit after tax to a reserve, the Company has transferred the required amount to a reserve created therefor, titled as 'Special Reserve'.		
(8) 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.		
(9) Pursuant to the completion of takeover formalities under SEBI (Substantial acquisition of shares and takeover) Regulations 1997, there has been a change in the management / control of the Company with effect from March 5, 2008. The present Board of Directors consists of Dr. B. Samal (Chairman), Mr. Bipin Agarwal, Mr. Swaran Singh, Mr. T. Nagrajan and Mrs. Thankom Mathew (LIC Nominee).		
(10) Earnings per share:		
	31-03-2008 Rupees	31-03-2007 Rupees
Net Profit attributable to the shareholders of Industrial Investment Trust Limited (Rs.)	A 126,089,985	(173,084,224)
Weighted average number of equity shares outstanding	B 10,000,000	10,000,000
Nominal value per equity share (Rs.)	10	10
Basic and diluted earnings per equity share (Rs.)	A/B 12.61	(17.31)
(11) Related party disclosures:		
(i) Names of related parties and relationships as identified by the Company:		
Associate Company :		Nu-tech Corporate Services Limited (Upto 30 th July ,2007)

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

Key management personnel: C. P. Khandelwal, Chairman
(Upto 4th March,2008)
Sanjay Dangi, Director
(Upto 4th March,2008)
Bipin Agarwal (w.e.f 5th March,2008)
Swaran Singh (w.e.f 5th march, 2008)

Companies in which directors have significant influence: Systematix Shares & Stocks (I) Limited (Upto 4th March, 2008)
Southern Windfarms Private Limited (Upto 4th March, 2008)
SQL Star International Limited (Upto 4th March, 2008)
Golia Investment and Finance Limited (from 15th May, 2007 to 4th March,2008)
N.N. Financial Services Private Limited (w.e.f. 5th March, 2008)

(ii) Transactions with related parties:

Sr. No.	Nature of transactions	Associate companies	Key management personnel*	Companies in which directors have significant influence
		Rupees	Rupees	Rupees
(I)	Volume of transactions:			
	(i) Loan Given			
	-SQL Star International Ltd	-	-	80,000,000
	-Golia Finance and Investment Ltd.	(-)	(-)	(15,300,000)
		(-)	(-)	220,100,000
		(-)	(-)	(-)
	(ii) ICDs given			
	-Nu-tech Corporate Services Ltd.	7,45,000	-	-
		(11,115,000)	(-)	(-)
	(iii) Loans Taken -			
	SQL Star International Ltd	-	-	-
		(-)	(-)	(5,000,000)
	-N.N. Financial Services Pvt. Ltd.	-	-	50,000,000
		(-)	(-)	(-)
	(iv) Refund of ICDs given			
	-Nu-tech Corporate Services Ltd.	(12,000,000)	(-)	(-)
	(v) Refund of loans given			
	-SQL Star International Ltd	-	-	75,000,000
		(-)	(-)	(40,300,000)
	-Golia Finance and Investment Ltd.	-	-	60,100,000
		(-)	(-)	(-)
	(vi) Refund of loan taken			
	-SQL Star International Ltd	-	-	5,000,000
		(-)	(-)	(-)
	(vii) Interest income			
	-SQL Star International Ltd	-	-	7,195,086
		(-)	(-)	(2,758,356)
	-Golia Finance and Investment Ltd.	-	-	2,913,271
		(-)	(-)	(-)
	(viii) Interest Expenses			
	-SQL Star International Ltd	-	-	62,466
		(-)	(-)	(50,959)
	-N.N. Financial Services Pvt. Ltd.	-	-	120,219
		(-)	(-)	(-)
	(ix) Purchase of securities & derivative instruments			
	- Systematix Shares & Stocks (I) Ltd.	-	-	486,105,598
		(-)	(-)	(632,919,887)
	(x) Sale of securities & derivative instruments			
	- Systematix Shares & Stocks (I) Ltd.	-	-	935,091,345
		(-)	(-)	(570,817,161)
	(xiii) Directors Fees			
	- C P Khandelwal	-	78,000	-
		(-)	(45,000)	(-)
	- Sanjay Dangi	-	66,000	-
		(-)	(38,000)	(-)
	- Bipin Agarwal	-	15,000	-
		(-)	(-)	(-)
	- Swaran Singh	-	15,000	-
		(-)	(-)	(-)
(II)	Receivable as at year end			
	-Nu-tech Corporate Services Ltd.	-	-	-
		(44,017,131)	(-)	(-)
	- Systematix Shares & Stocks (I) Ltd.	-	-	-
		(-)	(-)	(1,540,819)
(III)	Provisions thereagainst			
	-Nu-tech Corporate Services Ltd.	-	-	-
		(44,017,131)	(-)	(-)
(IV)	Payable as at year end			
	-SQL Star International Ltd.	-	-	-
		(-)	(-)	(5,000,000)
	-N.N. Financial Services Pvt. Ltd.	-	-	50,000,000
		(-)	(-)	(-)

* Also refer Note 3.

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

**SCHEDULE "K" (Contd..)****NOTES TO THE ACCOUNTS****(12) Employee benefits:**

Effective April 1, 2007 the Company has adopted revised Accounting Standard 15 'Employee Benefits'. Pursuant to the adoption, no adjustment was required to be made to general reserve as there is no impact of revised AS-15.

(a) Defined Contribution Plan

Contribution to Defined Contribution Plan recognised in the statement of profit and loss account under payments to and provision for employees, in Schedule "I" for the year are as under:

Employer's contribution to Provident Fund	Rs. 118,644
Employer's contribution to Family Pension Fund	Rs. 33,001

(b) Defined Benefit Plan

Gratuity- As per actuarial valuation as on 31st March, 2008

Gratuity (Funded)	Rs.
-------------------	-----

1 Reconciliation of Opening and closing balance of defined Benefit obligation	
Present value of Defined Benefit obligation as at March, 31, 2007	72,224
Interest Cost	5,778
Service cost	53,872
Net Actuarial (Gain)/Loss	14,599
Present value of Defined Benefit Obligation as at March, 31, 2008	<u>146,473</u>
2 Reconciliation of fair value of the plan assets	
Fair value of plan assets as at March 31, 2007	3,58,539
Actual return on plan assets	35,118

Net Actuarial Gain/(Loss)	-
Employer's contribution	-
Benefits paid	-
Fair value of plan assets as at March 31, 2008	5,25,128
3 Net assets/(liabilities) recognised in the Balance Sheet	
Present Value of defined benefit obligation as on March 31, 2008	(1,46,473)
Fair value of plan assets	5,25,128
Net asset/(liability) recognised in Balance Sheet	3,78,655
4 Expenses recognised in the Income Statement	
Current Service Cost	53,872
Interest Cost	5,778
Expected return on plan assets	-
Net Actuarial (Gain)/Loss	14,599
Total expenses recognised in the profit and loss account In Schedule "I" under: Contribution to provident and other fund	<u>74,249</u>
5 Actuarial assumptions	LIC (1994-96)
Mortality Table	Ultimate
Discount Rate (per annum)	8.00%
Expected rate of return on Plan Assets	9.80%
Salary escalation	5.00%
6 The above information is certified by the actuary. This being first year of implementation, previous year figures have not been given.	
7 The information in respect of defined benefit obligation for previous years as required by para 120(n) of AS-15 (revised) are not available and hence not furnished. This disclosure has no bearings on the current year's financial numbers.	

SCHEDULE "K"
NOTES TO THE ACCOUNTS

(13) Segment information:

Primary segments - Business segments

	2007-2008					2006-2007					Rupees
	Investment activities (Note below)	Depository and R & T Services	Brokerage Services	Eliminations	Total	Investment activities (Note below)	Depository and R & T Services	Brokerage Services	Eliminations	Total	
A. REVENUE											
1. External Revenue	213,080,656	263,833	52,030,762	-	265,375,251	28,611,566	2,018,288	164,029	-	30,793,883	
2. Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	
3a. Interest income	-	-	-	-	72	-	-	-	-	4,039	
3b. Unallocated income	-	-	-	-	746	-	-	-	-	78,077	
3c. Total 3a+3b					818					82,116	
Total revenue	213,080,656	263,833	52,030,762	-	265,376,069	28,611,566	2,018,288	164,029	-	30,875,999	
B. RESULTS											
1. Segment result	102,683,136	(547,177)	50,753,345	-	152,889,304	(168,930,227)	(2,675,892)	(1,349,561)	-	(172,955,680)	
2. Interest expense	-	-	-	-	-	-	-	-	-	-	
3. Income (referred in A 3c above)	-	-	-	-	818	-	-	-	-	82,116	
4. Profit before tax	-	-	-	-	152,890,122	-	-	-	-	(172,873,564)	
5. Provision for taxes	-	-	-	-	(26,800,137)	-	-	-	-	(210,660)	
6. Profit after tax	-	-	-	-	126,089,985	-	-	-	-	(173,084,224)	
C. OTHER INFORMATION											
1. Segment assets	725,162,800	-	30,409,867	-	755,572,667	702,325,593	18,246,943	23,695,520	-	744,268,056	
2. Investments	-	-	-	-	-	-	-	-	-	7,525,074	
3. Deferred tax asset	-	-	-	-	-	-	-	-	-	-	
4. Income tax payments and tax deducted at source less provisions	-	-	-	-	36,880,275	-	-	-	-	23,647,797	
5. Miscellaneous expenditure (to the extent not written off)	-	-	-	-	-	-	-	-	-	-	
6. Profit and Loss account Debit balance	-	-	-	-	-	-	-	-	-	-	
7. Total assets	725,162,800	-	30,409,867	-	792,452,942	702,325,593	18,246,943	23,695,520	-	775,440,927	
8. Segment liabilities	92,142,085	-	10,615,812	-	102,757,897	170,859,295	3,538,640	87,195	-	174,485,130	
9. Share capital and reserves	-	-	-	-	689,695,045	-	-	-	-	600,955,797	
10. Minority Interest	-	-	-	-	-	-	-	-	-	-	
11. Total liabilities	92,142,085	-	10,615,812	-	792,452,942	170,859,295	3,538,640	87,195	-	775,440,927	
12. Cost incurred during the period to acquire segment assets	1,815,600	-	-	-	1,815,600	6,536,955	-	-	-	6,536,955	
13. Depreciation	970,250	646,035	271,424	-	1,887,709	2,376,494	1,646,712	316,736	-	4,339,942	
14. Non-cash expenditure other than depreciation	-	-	-	-	-	-	-	-	-	-	

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.

(14) The figures relating to the previous year have been regrouped where necessary and are not strictly comparable to those of the current year as figures of the previous year include figures of IITCS Limited, a subsidiary, that ceases to be a subsidiary w.e.f 31st August, 2007.

Signatures to Schedules "A" to "K"

For and on behalf of the Board of Directors

CUMI A. BANERJEE
Vice President (Legal)
& Company Secretary

DR.B.SAMAL
Chairman

BIPIN AGARWAL
Director

Mumbai: June 30, 2008



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

	SUBSIDIARY COMPANY
	IIT Investrust Limited (Rs. in Lakhs)
	<hr/>
1) Total paid-up capital of the subsidiary	1250.00
2) The paid-up capital of the subsidiary held by Industrial Investment Trust Limited	1237.50
3) 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	
i) for the subsidiary financial year ending 31st March, 2008	402.23
ii) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	(2,115.06)
4) 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	
i) for the subsidiary financial year ending 31st March, 2008	Nil
ii) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	9.93

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
*Vice President (Legal)
& Company Secretary*

Mumbai: June 30, 2008

GROUP FINANCIAL HIGHLIGHTS : A TEN YEAR REVIEW

(Rs. in Lacs)

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-99
Dividend & Interest	18.42	67.59	99.77	149.53	255.93	182.01	146.45	123.96	159.70	133.39
Lease/Hire Purchase Income	-	-	-	0.16	4.32	5.00	5.83	26.93	35.84	41.01
Service charges	-	1.15	1.03	34.77	110.31	218.63	332.35	580.23	921.30	1120.44
Finance & Commitment charges	279.13	58.72	21.80	5.51	5.92	27.82	63.26	53.57	183.29	57.94
Net profit on sale of Investments	(219.65)	(518.12)	7,115.34	1,952.51	487.76	415.68	334.92	363.49	1138.25	525.71
Other Income	1643.82	268.86	125.30	154.67	179.48	776.29	172.84	250.28	236.03	326.01
Total Income	1,721.72	(121.79)	7,363.24	2,297.15	1043.72	1625.43	1055.65	1398.46	2674.41	2204.50
Management expenses & Interest	265.79	1458.99	974.81	3,350.14	1020.40	1683.37	911.43	1527.84	2021.46	1705.74
Depreciation	9.70	40.23	27.39	34.00	57.89	63.75	92.20	100.46	114.36	38.83
Profit/(Loss) before tax	1,446.23	(1,621.01)	6,361.04	(1,086.99)	(34.57)	(121.69)	52.02	(229.84)	538.59	459.93
Profit/(Loss) after tax	1283.53	(1623.11)	6,082.84	(1,089.91)	(61.96)	(121.42)	78.03	(241.87)	438.61	310.55
Shareholders' funds	6592.93	4869.89	6,727.00	872.20	1962.57	2221.94	2540.79	2531.12	2624.21	2429.59
Investments	3506.29	6408.11	10,230.20	680.20	1308.40	1719.81	2489.68	2423.34	2385.85	2728.14
Dividend % (recommended/paid by Industrial Investment Trust Ltd.)	20.00	20.00	20.00	-	17.50	17.50	20	20	20	20

* On increased capital after issue of bonus shares in proportion of 1:1

"Group" means the Company and its 100% subsidiary.

IIT INVESTRUST LIMITED

IIT INVESTRUST LIMITED**BOARD OF DIRECTORS** : **Dr. B. SAMAL**
*Chairman***BIPIN AGARWAL****SWARAN SINGH****T. M. NAGARAJAN****VOONA RAMESH**
*Whole-Time Director***BANKERS** : Canara Bank**AUDITORS** : G.N. Joshi Associates**REGISTERED OFFICE** : 14E, Rajabhadur Mansion,
2nd Floor
28, Bombay Samachar Marg,
Mumbai 400 001.**DIRECTORS' REPORT**

To

The Members,

Your Directors are pleased to present the Fifteenth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2008.

FINANCIAL RESULTS

	Current Year Rs. in lakhs	Previous Year Rs. in lakhs
Total Income	520.31	2.38
Profit / (Loss) before depreciation	510.25	(9.58)
Less: Depreciation	2.71	(3.17)
Profit / (Loss) before tax	507.54	(12.75)
Less: Provision for tax	105.31	0.01
Provision for impairment in the value of BSE card	Nil	Nil
Add: Balance of P & L a/c brought forward from last year	(2359.22)	(2346.46)
Balance carried forward to Balance Sheet	(1956.99)	(2359.22)

OPERATING RESULTS

During the year under review, your Company has made a Profit of Rs.507.54 Lakhs upon sale of 10,000 equity shares of BSE compared to loss of Rs.12.76 Lakhs in the previous year.

Pursuant to the application for surrendering its membership with OTC Exchange of India (OTCEI), the company is still awaiting the reply from the said Exchange.

DIVIDEND

In view of the losses, no dividend for the year ended March 31, 2008 is proposed.

EMPLOYEE RELATIONS

Relations with employees continue to be cordial. The Directors thank the employees of the Company at all levels for their support, and for the work put in by them.

DIRECTORS

Mr. Sandeep Somani has resigned as Whole-Time Director from the Company with effect from November 20, 2007. During his tenure as Director, he has greatly contributed to the performance of the Company by his vast experience and knowledge.

Pursuant to the change in management and control of the Holding Company (Industrial Investment Trust Limited), there has been change in management and control of the subsidiary company also. Mr. C.P. Khandelwal, Mr. Sanjay Dangi, Mr. N.R. Suresh and Mr. P.H. Arvinth Pandian have resigned as Directors from the Board of the Company in the meeting of the Board of Directors held on March 5, 2008. During their tenure as Directors, they have greatly contributed to the performance of the Company by their vast experience and knowledge.

Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan have been appointed by the Board as Additional Directors of the Company with effect from March 5, 2008 pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan holds office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr.T.M. Nagarajan as Directors of the Company. Notice has been received from the members pursuant to Section 257 of the Companies Act, 1956, proposing their candidature for the office of Director.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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, 2008;
- 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
- the annual accounts have been prepared on a 'going concern' basis.



AUDIT COMMITTEE

The Board constituted the Audit Committee on March 14, 2001 under the provisions of Section 292 A of the Companies (Amendment) Act, 2000. The Committee was last reconstituted on March 5, 2008. The Committee comprises of Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan, all being Non-Executive Directors. During the year under review, 3 meetings of the Audit Committee were held.

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.

However, as regards the observation made by the Auditors in their report in Item No. 2, the management has explained the position in the Note 2 of the Notes to Accounts.

As regards Item No. 7 of the Annexure to the Auditors' Report, the Company has suspended the Broking activities and does not have any substantial activities, which necessitates an internal audit system.

AUDITORS

The auditors of the Company, M/s. G.N. Joshi Associates retire and are eligible for re-election. The members are requested to appoint Auditors and to fix their remuneration.

PARTICULARS OF EMPLOYEES

Information required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming a part of the Directors' Report for the year under review is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

The 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 period under review, the Company did not earn any foreign exchange and there was no expenditure in Foreign Exchange.

On behalf of the Board of Directors

Dr. B. Samal
Chairman

Mumbai
Date: June 30, 2008

AUDITOR'S REPORT

To

The Members of
IIT INVESTRUST LTD
Mumbai.

We have audited the attached Balance Sheet of **M/S. IIT INVESTRUST LIMITED** as at March 31, 2008, also the Profit and Loss Account and Cash Flow Statement for the year ended on that date, 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.

We have conducted our audit in accordance with 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. **Considering the financial position of the Company, it is difficult to assume the basic accounting concept of "Going Concern". However, Management believes that there is no engender to the "Going Concern" concept. The accounts have been prepared on the assumption of "Going Concern".**
3. Further to our comments in the Annexure referred to in paragraph 1 above and 'subject to our comment in paragraph 2 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 appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account complies in all material respects with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, **the balance of Debtors, Loans & Advances are subject to confirmation and reconciliation, if any**, 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - (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 for the year ended on that date.

For G. N. JOSHI ASSOCIATES
CHARTERED ACCOUNTANTS

G. N. JOSHI
(PARTNER)

MEMBERSHIP NO : 2373

PLACE : MUMBAI
DATED : June 30, 2008

ANNEXURE TO THE AUDITORS REPORT

(Refer to in para 1 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of Fixed Assets.
 - (b) The fixed assets have been physically verified by the management. As informed to us, no material discrepancies have been noticed on such verification as compared with book records.
 - (c) There was no substantial disposal of Fixed Assets during the year.
2. (a) Physical verification of shares, debentures and such other securities have been carried out at reasonable intervals and the procedures followed are reasonable and adequate in relation to size of the Company.
 - (b) As informed to us by the management, any material discrepancy noticed during such physical verification has been properly dealt with in the Books of Account.
 - (c) In our opinion, valuation of stock in form of shares, debentures and other securities is fair and proper in accordance with the normally accepted accounting principles. The valuation is on market value or cost whichever is lower.
3. (a) The company has not granted any unsecured loans to a company registered under section 301 of the Companies Act, 1956. Hence sub-clauses (b), (c) and (d) of clause 3 are not applicable to the Company.
 - (b) The Company has taken an unsecured interest free loan from holding company balance outstanding as at March 31, 2008 Rs.9,99,30,435 (Previous Year Rs.14,08,70,620/-). Maximum outstanding during the year Rs.14,08,70,620/- (Previous Year Rs.14,37,00,000/-). The terms and conditions of the Loan are not prima-facie prejudicial to the interest of the Company. The Company has not taken any loan, other than as stated above from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and Fixed Assets and for the sale of shares, debentures and such other securities. During the course of our audit no major weaknesses have been noticed in the Internal Control.
5. According to the information and explanation given to us, the Company has not entered into any transactions of purchase of shares, loan with any party, which are required to be entered into register maintained u/s. 301 of the companies Act, 1956.
6. The Company has not accepted any deposits from public.
7. **The Company does not have internal audit system in view that there are no substantial operations during the year.**
8. To the best of our information and as explained to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, income-tax. Considering the activities of the Company Investor education and protection fund, employees state insurance, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues are not applicable.
 - (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth tax, service tax, custom duty and excise duty were outstanding at the year end for a period of more than six months from the date they became payable.



- (c) According to the information and explanation given to us, there are no outstanding dues on account of income-tax, sales-tax, wealth tax, service tax, custom duty ,excise duty and cess on account of any dispute.
10. The Company has accumulated losses at the end of financial year more than it's networth. It has incurred cash losses during the year and also in the immediately preceding financial year.
 11. Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause 4(xiii) of the order are not applicable to the Company.
 14. The company has maintained proper records of the transaction and contract in respect of shares and securities and has also made timely entries therein. The company's business involves dealing in shares and securities. As informed to us, the Company has transferred all shares and securities in its own name.
 15. The Company has not given any guarantee for Loans taken by others from bank or financial institutions.
 16. The Company has applied the term loan for the purpose for which the loan is obtained.
 17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Act.
 19. The Company did not have any outstanding debentures during the year.
 20. The Company has not raised any money through a public issue during the year.
 21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For G. N. JOSHI ASSOCIATES
CHARTERED ACCOUNTANTS

G. N. JOSHI
(PARTNER)
MEMBERSHIP NO : 2373

PLACE : MUMBAI
DATED : June 30, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Equity share capital	"A"	125,000,000	125,000,000
(b) Reserves and Surplus	"B"	1,170,000	1,170,000
		<u>126,170,000</u>	<u>126,170,000</u>
(2) LOAN FUNDS			
(a) Unsecured Loan from Industrial Investment Trust Limited		99,930,435	140,870,620
		<u>99,930,435</u>	<u>140,870,620</u>
Total		<u>226,100,435</u>	<u>267,040,620</u>
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS "C"			
(a) Gross Block		17,582,151	10,082,151
(b) Less : Depreciation		7,613,467	7,342,043
(c) Net Block		9,968,684	2,740,108
(2) INVESTMENTS - 7,510,000			
(10000 equity shares of Bombay Stock Exchange Ltd.of Re.1/- each)			
(3) CURRENT ASSETS, LOANS & ADVANCES			
(a) Sundry Debtors	"D"	18,461,716	19,354,271
(b) Cash & Bank Balances	"E"	447,376	61,719
(c) Loans and Advances	"F"	12,139,631	1,539,422
		<u>31,048,723</u>	<u>20,955,412</u>
Less : CURRENT LIABILITIES & PROVISIONS "G"			
(a) Current Liabilities		22,472	23,992
(b) Provisions		10,593,340	63,203
		<u>10,615,812</u>	<u>87,195</u>
NET CURRENT ASSETS		20,432,911	20,868,217
(4) PROFIT & LOSS ACCOUNT (Debit Balance)			
		195,698,840	235,922,295
Total		<u>226,100,435</u>	<u>267,040,620</u>

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered Accountants

Dr. B Samal
Chairman

G.N.Joshi
Partner

Bipin Agarwal
Director

Mumbai, June 30, 2008

Mumbai, June 30, 2008

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2008

Schedule	Period ended 31.03.2008 Rupees	Year ended 31.03.2007 Rupees
INCOME STATEMENT		
Profit on sale of stock in trade	-	149,998
Profit on sale of Investment	51,990,000	-
Other Income	"H" 41,009	87,756
	<u>52,031,009</u>	<u>237,754</u>
EXPENDITURE		
Establishment expenses	"I" 1,005,993	1,196,854
Depreciation	271,424	316,736
	<u>1,277,417</u>	<u>1,513,590</u>
PROFIT(LOSS)DURING THE YEAR	50,753,592	(1,275,836)
Provision for Taxation		
- Current tax	(10,530,000)	-
- Fringe Benefit tax	(137)	(660)
Balance brought forward from last year	(235,922,295)	(234,645,799)
BALANCE CARRIED TO BALANCE SHEET	<u>(195,698,840)</u>	<u>(235,922,295)</u>

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered Accountants

Dr. B Samal
Chairman

G.N.Joshi
Partner

Bipin Agarwal
Director

Mumbai, June 30, 2008

Mumbai, June 30, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Year ended 31.03.2008 Rupees	Year ended 31.03.2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	50,753,592	(1,275,836)
Adjustments for:		
Depreciation	271,424	316,736
Interest other than interest on investments	(72)	(525)
Profit on sale of stock in trade	-	(149,998)
Profit on sale of investment	(51,990,000)	-
Operating Loss before working capital changes and other adjustments	(965,056)	(1,109,623)
Working capital changes		
(Decrease)/Increase in Current Liabilities & Leave salary	(1,520)	51,548
Decrease in Sundry Debtors	892,555	3,059,380
Increase in Advances and other Current Assets	(72)	(69)
Other adjustments :		
Interest received other than interest on investments	72	525
Cash generated from operations	(74,021)	2,001,761
Direct taxes paid	(10,600,137)	(535)
Net cash outflow from operating activities	(10,674,158)	2,001,226
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of stock in trade	-	162,223
Sale of Investments	52,000,000	-
Net cash inflow from investing activities	52,000,000	162,223
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	11,370,000	-
Repayment of borrowings	(52,310,185)	(2,829,380)
Net cash inflow from financing activities	(40,940,185)	(2,829,380)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	385,657	(665,931)
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year	61,719	727,650
As at the end of the year	447,376	61,719
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	385,657	(665,931)

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered AccountantsDr. B Samal
ChairmanG.N.Joshi
Partner
Mumbai, June 30, 2008Bipin Agarwal
Director
Mumbai, June 30, 2008

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees		As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
SCHEDULE "A"			SCHEDULE "B"		
SHARE CAPITAL			RESERVES & SURPLUS	11,70,000	11,70,000
Authorised :			Total	11,70,000	11,70,000
1,25,00,000 shares of Rs.10/- each	12,50,00,000	12,50,00,000			
Issued, subscribed & paid up :					
1,25,00,000 Equity Shares of Rs.10/- each fully paid up (of the above 1,23,75,000 shares of Rs.10/- each are held by Industrial Investment Trust Ltd., the holding company.)	12,50,00,000	12,50,00,000			
Total	12,50,00,000	12,50,00,000			

SCHEDULE "C"

FIXED ASSETS

PARTICULARS	Cost				Depreciation				Net Block	
	Opening Balance	Additions upto 31.03.2008	Deduction/ Adjustment upto 31.03.2008	As at 31.03.2008 (A+B-C)	Opening Balance	For the year	Deduction/ Adjustment upto 31.03.2008	As at 31.03.2008 (E+F-G)	As at 31.03.2008	As at 31.03.2007
	A	B	C	D	E	F	G	H	I	
BSE Card	-	-	7,500,000	7,500,000	-	-	-	-	7,500,000	-
Furniture	953,150	-	-	953,150	382,115	60,334	-	442,449	510,701	571,035
Office Equipments	4,448,273	-	-	4,448,273	2,279,200	211,090	-	2,490,290	1,957,983	2,169,073
Off. Vehicles	652,806	-	-	652,806	652,806	-	-	652,806	-	-
Computers	4,027,922	-	-	4,027,922	4,027,922	-	-	4,027,922	-	-
Total	10,082,151	-	7,500,000	17,582,151	7,342,043	271,424	-	7,613,467	9,968,684	2,740,108
Previous Year	10,082,151	-	-	10,082,151	7,025,307	316,736	-	7,342,043	2,740,108	3,056,844

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008**

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
SCHEDULE "D"		
SUNDRY DEBTORS (unsecured, considered good)		
Outstanding for a period exceeding six months	1,84,61,716	1,93,54,271
	<u>1,84,61,716</u>	<u>1,93,54,271</u>
SCHEDULE "E"		
CASH & BANK BALANCES		
Cash in hand	5,316	2,235
Balance with Scheduled Banks: on current accounts	4,42,060	59,484
	<u>4,47,376</u>	<u>61,719</u>
SCHEDULE "F"		
LOANS AND ADVANCES (Unsecured, considered good):		
Loans, Advances recoverable in cash or kind or for value to be received	2,091	2,019
Sundry Deposits	15,30,000	15,30,000
Advance fringe Benefit Tax	1,06,07,540	7,403
	<u>1,21,39,631</u>	<u>15,39,422</u>
SCHEDULE "G"		
CURRENT LIABILITIES		
Other Liabilities	22,472	23,992
	<u>22,472</u>	<u>23,992</u>
PROVISIONS		
Provision For Leave Encashment & Gratuity	55,243	55,243
Provision for Taxation	1,05,38,097	7,960
	<u>1,05,93,340</u>	<u>63,203</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Period ended 31.03.2008 Rupees	Year ended 31.03.2007 Rupees
SCHEDULE "H"		
OTHER INCOME		
Interest income	72	525
Dividend income	175	73,200
Miscellaneous income	40,762	14,031
	<u>41,009</u>	<u>87,756</u>
SCHEDULE "I"		
ESTABLISHMENT EXPENSES		
(1) Payments and provisions to employees		
Salaries & Bonus	6,52,734	7,66,678
Contribution to Provident and other funds	59,031	55,073
	<u>7,11,765</u>	<u>8,21,751</u>
(2) Other expenses		
Printing and Stationary	30	100
Travelling & Conveyance	1,860	8,268
Repairs & Maintenance	-	550
Legal & Professional Charges	86,630	1,91,070
Membership & Subsc, Books & Periodicals	10,000	2,650
Rates & Taxes	-	11,050
Operation expenses	21,266	15,121
Office expenses	1,25,000	97,800
Bank charges	-	252
Auditors remuneration:		
Audit fees	26,712	22,040
Tax Audit Fees	-	-
Other services	2,472	-
Miscellaneous expenses	20,258	26,202
	<u>2,94,228</u>	<u>3,75,103</u>
Total	<u>10,05,993</u>	<u>11,96,854</u>

SCHEDULE "J"

NOTES TO ACCOUNTS

1. Significant accounting policies:

a. Basis of Accounting:

The financial statements are prepared under historical cost convention and on an accrual basis, except as otherwise specified and in accordance with the generally accepted accounting principles, industry specific practices and the Companies Act, 1956.

b. Revenue recognition:

1. Net income from trading of securities is accounted for on the basis of Stock Brokers Contract Notes.
2. Revenue in case of corporate finance income is recognised on the proportionate completion method based on management estimates of the stages of completion of the contracts.
3. Brokerage income from stock broking activities is on the basis of Contract Notes issued.
4. Brokerage income from Primary market has been recognised on the basis of advice from the Registrar regarding allotment.

c. Fixed assets and depreciation

1. Fixed assets are capitalized at cost inclusive of expenses relating to the acquisition and installation of fixed assets.
2. Depreciation is provided on Straight Line Method in the manner at the rates prescribed in Schedule XIV of the Companies Act, 1956.

d. Preliminary expenses - Amortisation of preliminary expenses is over a period of ten years.

e. Valuation of Stock - Stock of shares in security has been valued at Cost or Market price whichever is lower. Cost is determined on weighted average basis.

f. Contingent Liability

The Company in its capacity as a broker is liable to make good share return under objection to it, in the event client/broker from whom the company has received the shares does not do the necessary rectification within the stipulated time.

g. Retirement benefit - Gratuity and leave encashment liability is accrued based on arithmetic calculation.

h. Impairment of Assets - At each balance sheet date the company assesses the realizable value of all the assets. If there is any indication of fall in the realizable value over carrying cost of the assets, impairment in value of the assets is recognized.

2. The Management believes that the company is a going concern and will continue to be so in the foreseeable future, notwithstanding the fact that the company has eroded its network. Considering the steps initiated by the company for recovery of its dues from its clients, including legal recourse, the company is confident that the outstandings will be reduced in due course of time.
3. As the company has substantial carried forward losses under the Income Tax Act 1961 and is unlikely to have taxable income in the foreseeable future, in accordance to the Accounting standard 22 issued by ICAI the net deferred tax assets/ liability has not been recognized.
- 3A. During the year company has re-classified the value of BSE card Rs. 75 lacs as Fixed Assets. Which was shown as an investment during the previous year, in view of the fact that the shares issued by BSE was not in lieu of BSE card.
4. Considering the nature of business no separate information for segment disclosure required.
5. Remuneration to Directors

	31-3-2008	31-3-2007
	Rupees	Rupees
Salary	699,499	753,508
Gratuity	-	20,852
Other Perquisites	-	-
Directors' Sitting Fees	-	-
	<u>699,499</u>	<u>774,360</u>

6. Related party disclosures. – As per Annexure – 1

7. EARNING PER SHARE (EPS)

	2007-2008	2006-2007
a) Net Profit after Tax available for Equity Shareholders (Rs.)	402,23,455	(12,76,496)
b) Weighted average number of shares at the beginning and end of the year	1,25,00,000	1,25,00,000
c) Basic and Diluted Earnings per share in rupees (Face value – Rs. 10 per share)	3.22	(0.10)

8. Previous year's figures have been regrouped wherever necessary.

As per our report attached to the Balance sheet

For G. N. JOSHI ASSOCIATES
Chartered Accountants

G.N. Joshi
Partner

Mumbai, June 30, 2008

Dr. B. Samal
Chairman

Bipin Agarwal
Director

Mumbai, June 30, 2008

Annexure-1 to Schedule

RELATED PARTY DISCLOSURES

(i) Names of related parties and nature of related party relationship where control exists are as under:

Holding company	: Industrial Investment Trust Limited
Fellow Subsidiary	: IIT Corporate Services Limited (upto 31/08/2007)
Key Management Personnel	: Sandeep Somani, (upto 14/10/2007) & V Ramesh Executive Director
Companies in which directors have significant influence	: Systematix Shares & Stocks (I) Ltd.

(ii) Transaction with related parties during the year

Name of the related party and description of relationship	Nature of transaction	Volume of transactions during the year ended 31.03.2008	Outstanding due to As on 31.03.2008	Outstanding due from As on 31.03.2008
Holding Company: Industrial Investment Trust Limited	1) Loan received 2) Refund of loan	1,13,70,000 (7,80,000) 5,23,10,185 (36,09,380)	9,99,30,435 (14,08,70,620) - (-)	- (-) - (-)
Fellow Subsidiary: IIT Corporate Services Limited	1) Refund of ICD	- (-)	- (-)	- (-)
Companies in which directors have significant influence: Systematix Shares & Stocks (I) Ltd.	Sale of Equity Shares	- (1,62,223)	- (-)	- (-)
Key Management Personnel: Sandeep Somani, V Ramesh	Remuneration	5,05,759 (6,10,476) 1,93,740 (1,63,884)	- (-) - (-)	- (-) - (-)



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.					7	0	2	4	7	State Code	1	1
Balance Sheet Date	3	1	0	3	2	0	0	8	Date	Month	Year	

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

Public Issue										N	I	L	Rights Issue											N	I	L	
Bonus Issue														Private Placement											N	I	L

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

Total Liabilities					2	2	6	1	0	0	Total Assets					2	2	6	1	0	0						
Source of Funds:																											
Paid up Capital					1	2	5	0	0	0	Reserves & Surplus					1	1	7	0								
Secured Loans											N	I	L	Unsecured Loans					9	9	9	3	0				
Application of Funds:																											
Net Fixed Assets								9	9	6	9	Investments												N	I	L	
Net Current Assets							2	0	4	3	2	Misc. Expenditure													N	I	L
Accumulated Losses								1	9	5	6	9	9														

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

Turnover (including other income)						5	2	0	3	1	Total Expenditure							1	2	7	7					
Profit(+)/Loss(-) Before Tax							5	0	7	5	4	Profit(+)/Loss(-) After Tax							4	0	2	2	4			
Earnings per share in Rs.								3	.	2	2	Dividend (%)												N	I	L

V. Generic names of three principal Products/Services of Company (as per monetary terms)

ITC Code No.	N.	A.	Service Description	S	T	O	C	K	B	R	O	K	I	N	G	A	N	D	
				A	D	V	I	S	O	R	Y	S	E	R	V	I	C	E	S

Dr. B. Samal
Chairman

Bipin Agarwal
Director

Mumbai, June 30, 2008





IIT 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 75th 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 Saturday, September 27, 2008 at 3.00 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.



IIT 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 75th ANNUAL GENERAL MEETING of the Company to be held on Saturday, September 27, 2008 at 3.00 p.m. at any adjournment thereof.

Signed this Day of 2008

Place

Affix
30 Paise
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.