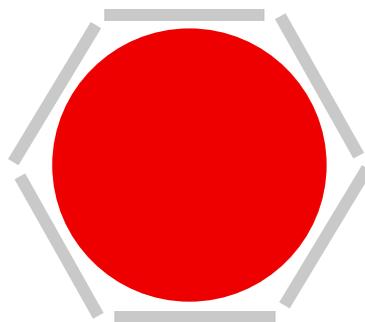


INDUSTRIAL INVESTMENT TRUST LIMITED

Annual Report
2008-2009



IIT GROUP

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**INDUSTRIAL INVESTMENT TRUST LIMITED**

- BOARD OF DIRECTORS** : Dr. B. Samal - *Chairman*
Mr. Bipin Agarwal
Mr. Swaran Singh
Mr. T.M. Nagarajan
Mr. R.K. Mittal
Mr. R.S.Loona
Mr. Venkatesan Narayanan
Mrs.Thankom Mathew - *Nominee of LIC of India*

Mrs. Cumi Banerjee - *CEO & Company Secretary*
- BANKERS** : Axis Bank Limited
ICICI Bank Limited
Union Bank of India
IndusInd Bank Ltd.
Bank of Baroda
- AUDITORS** : Deloitte Haskins & Sells
- REGISTRAR & SHARE TRANSFER AGENTS** : Link Intime India Private Limited
(Formerly known as 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 Sixth Annual General Meeting of the Members of the Company will be held at **M.C. Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Friday, August 28, 2009 at 3.00 p.m.** to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 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, 2009.
3. To appoint a Director in place of Mr. Bipin Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Thankom Mathew, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

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

“RESOLVED THAT Mr. R.K. Mittal, 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. R.S. Loona, 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 an Ordinary Resolution:

“RESOLVED THAT Mr. Venkatesan Narayanan, 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and all guidelines for managerial remuneration issued by Central Government from time to time, and such other consents and approvals as may be required and pursuant to Articles 149 and 150 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment of Dr. B. Samal as Executive Chairman of the Company w.e.f. April 1, 2009 on the following terms and conditions:

1. Tenure of Appointment : From April 1, 2009 to January 23, 2012
2. Remuneration Payable : Rs.1,75,000/- per month
3. Other Perquisites and Benefits : He shall be entitled to, as per rules of the Company, to:
 - i) Company's contribution to Provident Fund;
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - iii) Encashment of leave at the end of the tenure.
4. Other Conditions : The remuneration may be reviewed after a period of one year

Minimum Managerial Remuneration (in case of absence or inadequacy of profits):

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Dr. B. Samal as the Executive Chairman of the Company, the Company has no profit or the profit is inadequate, the Company shall pay the above remuneration as minimum remuneration.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution.”

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : June 27, 2009

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 Friday, August 21, 2009 to Friday, August 28, 2009 (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 September 26, 2009 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 August 20, 2009 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 August 20, 2009.
5. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) subject to availability of bank account details and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.
Members holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits MICR code number.
6. Members are requested to send all correspondences relating to shares including requests for transfer, change of address, change of status, change of mandate, Bank Account details to our Registrar and Share Transfer Agents: M/s. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel. No.: 2596 3838. In respect of shares held in dematerialised mode, the shareholders should inform their concerned Depository Participant only.
7. In all the correspondences with the Company / Registrar and Share Transfer Agents, the members holding in physical form are requested to quote their account / folio numbers and in case their shares are held in the dematerialised form, they must quote their Client ID Number and DP ID Number.
8. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
9. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
10. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends in September, 1998 for the year ended March 31, 1995 to the General Revenue Account of the Central Government. Members concerned may, therefore, submit their claims in the prescribed form to the Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2nd Floor, next to Reserve Bank of India, CBD, Belapur – 400 614.
11. In terms of section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). The Company has therefore, transferred unclaimed dividend on September 9, 2008 for the year ended March 31, 2001 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 2001-2002 or thereafter are requested to write to the Company / Registrars and Share Transfer agents. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**
12. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.

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

Name of the Director	Dr. B. Samal	Mr. Bipin Agarwal	Mrs. Thankom Mathew	Mr. R.K. Mittal	Mr. R.S. Loona	Mr. Venkatesan Narayanan
Date of Birth	02.03.1943	1.11.1965	12.5.1953	5.5.1944	21.09.1951	27.11.1955
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	05.03.2008	8.1.2008	12.4.2005	16.10.2008	09.03.2009	18.05.2009
Qualifications	M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune	B.Com (Hons), FCS	M.Sc.	B.Com, FCA	B.Sc., LLB	B.Com., Intermediate Company Secretary
Expertise in specific functional areas	He has more than 30 years of experience in the areas of Banking – Rural Credit, HRD, Security related Market and Industrial Finance. He has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India. He was also a member of Securities Appellate Tribunal (SAT).	He has around 15 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.	She is presently working as Executive Director (New Projects / CPIO) at the central Office of LIC of India. She has around 30 years of experience and specializes in the fields of marketing, underwriting, administration and audit.	Practising as a Chartered Accountant under the firm name of Mittal & Associates since 1976. He specializes in corporate & financial advisory services, including syndication of funds, financial restructuring & negotiated settlement	He is a leading corporate lawyer with specialization in securities market, banking and finance, infrastructure projects, real estate and regulatory advice. He has served as Executive Director (Law) of Securities & Exchange Board of India for a period of about 4 years. He has also had a long stint with IDBI, a principal financial institution and two commercial banks.	He has over 15 years of experience in Senior Management. He has consulting expertise in infra structure segment covering roads ,bridges, power, tourism, urban infra structure.

Name of the Director	Dr. B. Samal	Mr. Bipin Agarwal	Mrs. Thankom Mathew	Mr. R.K. Mittal	Mr. R.S. Loona	Mr. Venkatesan Narayanan
Directorships held in other companies	<ol style="list-style-type: none"> 1. Surana Industries Limited 2. Zicom Electronic Security Systems Limited 3. Jaiprakash Power Venture Limited 4. Mayfair Hotels and Resorts Limited 5. Karn Merchant Bankers Limited 6. ARSS Infrastructure Projects Limited 7. Indo Green Projects Limited 8. IIT Investrust Limited 9. Shriram Life Insurance Company Private Limited 10. Shreeji Foundation (Charitable Trust) 11. Krishna Life Style Technologies Limited. 12. Asahi Fibers Limited. 13. Motilal Oswal Trustee Company Limited 	<ol style="list-style-type: none"> 1. Nimbus (India) Limited 2. NCJ International Limited 3. NRI Commodity Services Limited 4. Urvashi Finvest Limited 5. IIT Investrust Limited 6. Indo Green Projects Limited 7. IIT Insurance Broking and Risk Management Private Limited 8.N.N. Financial Services Private Limited 9. Gupta Fincaps Private Limited 10. Seven Star Buildwell Private Limited 	NIL	<ol style="list-style-type: none"> 1.Elegant Marbles & Grani Industries Limited 2. Pradeep Metals Limited 3. Indo Green Projects Limited 4. IIT Investrust Limited 5.CS Enterprises Private Limited 6. Vithal Finvest and Consultants Private Limited 7. Theseus Global Research Private Limited 8. Mumbai Vaish Seva Sansthan(Charitable Institution) 9. Market Entry Solutions Private Limited 	<ol style="list-style-type: none"> 1. Indo Green Projects Limited 2. IIT Insurance Broking and Risk Management Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Indo Green Projects Limited.
Committee position held in other companies	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. ARSS Infrastructure Projects Limited 2. Mayfair Hotels and Resorts Limited 3. Shriram Life Insurance Company Private Limited. 4. Surana Industries Limited. 5. IIT Investrust Limited <p>Share Transfer and Grievance Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited. 	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. IIT Investrust Limited 	NIL	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited. 2. Pradeep Metals Limited 3) Indo Green Projects Limited <p>Share Transfer and Grievance Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited 2. Indo Green Projects Limited. <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited 2. Indo Green Projects Limited. 	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited <p>Share Transfer and Grievance Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited 	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Indo Green Projects Limited.
Shareholding of Directors	NIL	25,000	NIL	NIL	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 6****Appointment of Mr. R.K. Mittal 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 October 16, 2008, appointed Mr. R.K. Mittal as Additional Director. to hold office up to the date of this Annual General Meeting. The Company has received a notice in writing (alongwith deposit of Rupees five hundred) from a Member proposing the candidature of Mr. R.K. Mittal 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.

Except Mr. R.K. Mittal, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 7**Appointment of Mr. R.S. Loona 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 9, 2009, appointed Mr. R.S. Loona as Additional Director. to hold office up to the date of this Annual General Meeting. The Company has received a notice in writing (alongwith deposit of Rupees five hundred) from a Member proposing the candidature of Mr. R.S. Loona 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.

Except Mr. R.S. Loona, no other Director is, in any way, concerned or interested in this Resolution.

Item No. 8**Appointment of Mr. Venkatesan Narayanan 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 May 18, 2009, appointed Mr. Venkatesan Narayanan as Additional Director, to hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing (alongwith deposit of Rupees five hundred) from a Member proposing the candidature of Mr. Venkatesan Narayanan 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.

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

Item No. 9**Appointment of Dr. B. Samal as Executive Chairman of the Company**

Dr. B. Samal was appointed as an Additional Director of the Company on March 5, 2008. Thereafter, he was appointed as a Director of the Company liable to retire by rotation at the Annual General Meeting of the Company held on September 27, 2008. The Board of Directors, at its meeting held on January 24, 2009, had appointed Dr. B. Samal as Executive Chairman and Managing Director of the Company for a period of 3 years w.e.f. January 24, 2009 to January 23, 2012. The Board has re-designated him as Executive Chairman with effect from April 1, 2009. The Board has, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders, Central Government and other authorities, as may be applicable, at its meeting held on April 17, 2009, unanimously approved the remuneration payable to Dr. B. Samal as the Executive Chairman of the Company for the period from April 1, 2009 to January 23, 2012.

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

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

Cumi Banerjee
CEO & Company Secretary

Mumbai, June 27, 2009

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

DIRECTORS' REPORT

Your Directors are pleased to present the Seventy Sixth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2009

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
FINANCIAL RESULTS		
(a) Total Income	1770.78	1941.38
Profit / (Loss) before Depreciation	610.90	1455.93
Less : Depreciation	9.66	9.70
Profit / (Loss) before Tax	601.24	1446.23
Less : Provision for Tax	88.06	162.70
	513.18	1283.53
Add : Balance of Profit / (Loss) brought forward from the previous year.	1964.59	1305.05
Amount available for appropriation	2477.77	2588.58
(b) From this, the Directors have transferred to:		
Special Reserve	103.00	260.00
General Reserve	13.00	130.00
(c) The Directors recommend payment of Dividend at the rate of Re. 1/- per share (previous year Rs. 2/- per share) on 1,00,00,000 shares of Rs. 10/- each which will absorb.	100.00	200.00
Tax on proposed Dividend	16.99	33.99
(d) Leaving a balance to be carried forward	2244.78	1964.59

OPERATING RESULTS

The total income for the year under review amounted to Rs.1770.78 lakhs as compared to Rs.1941.38 lakhs in the previous year. The income for the previous year included reversal of provision for diminution in value of investments of Rs.1075 lakhs made earlier.

Expenditure during the year under review was Rs.474.48 lakhs as compared to Rs.495.14 lakhs in the previous year. A provision of Rs.695.06 lakhs has been made towards part diminution in value of investments.

INVESTMENTS

The Company's portfolio of investment is regularly reviewed and securities are bought, to add to the portfolio or sold in order to earn capital gains. The 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, 2009. 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, 2009 was Rs.1700.43 lakhs (previous year Rs.1235.28 lakhs), as compared its cost of Rs.3413.69 lakhs (previous year Rs.1901.92 lakhs) During the year, the Company purchased shares / mutual funds of total book value of Rs.7666.64 lakhs and sold shares / mutual funds of book value of Rs.7696.53 lakhs.

SUBSIDIARY COMPANIES

IIT Investrust Limited (IITIL)

IIT Investrust Limited is in the process of re-activating Stock Broking business and is making due compliances with BSE and SEBI. In the meantime the Company has started the activity of providing financial consultancy services.

Indo Green Projects Limited (IGPL)

In April, 2008, the Company had acquired 25,03,900 equity shares representing 50.17% of the total paid up equity share capital and voting rights of IGPL, a BSE listed Company.

Pursuant to the Open Offer made in compliance of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, the Company acquired additional 9,98,180 equity shares of IGPL. The Company has thus acquired 70.17% of the total paid up equity share capital and voting rights in IGPL. In view of the said acquisition, IGPL has become the subsidiary of the Company. IGPL has started the business of Real Estate Development and Consulting Services.

IIT Insurance Broking and Risk Management Private Limited (IIBRMPL)

During the year, the Company has incorporated a wholly owned subsidiary, in the name IIT Insurance Broking and Risk Management Private Limited for conducting the business of Insurance (Direct Broking).

IIBRMPL has submitted an application to Insurance Regulatory and Development Authority (IRDA) for grant of License for Insurance (Direct Broking) and the necessary approval is awaited.

As required under Section 212 of the Companies Act, 1956, the Annual Reports together with Balance Sheet and Profit and Loss Account for the year ended March 31, 2009, of the subsidiary companies forms part of this Annual Report.

FIXED DEPOSITS

The Company does not accept Public Deposits.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, a sum of Rs. 4,84,660/- lying with the Company as unclaimed dividend for the year 2000 – 2001 i.e. for seven years from the date they became due for payment, were transferred during the period under review to the Investor Education and Protection Fund.

**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.

DIRECTORS

The Board has appointed Mr. R.K. Mittal, Mr. R.S. Loona and Mr. Venkatesan Narayanan as Additional Directors of the Company with effect from October 16, 2008, March 9, 2009 and May 18, 2009 respectively. 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. R.K. Mittal, Mr. R.S. Loona and Mr. Venkatesan Narayanan hold office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. R.K. Mittal, Mr. R.S. Loona and Mr. Venkatesan Narayanan as Directors of the Company. The Notices have been received from the members pursuant to Section 257 of the Companies Act, 1956, proposing their candidature for the office of Director.

The Board of Directors, at its meeting held on January 24, 2009, appointed Dr. B. Samal as Executive Chairman and Managing Director of the Company for a period of 3 years w.e.f. January 24, 2009 to January 23, 2012. The Board has re-designated him as Executive Chairman with effect from April 1, 2009.

Mr. Bipin Agarwal and Ms. Thankom Mathew, Directors retire by rotation and, being eligible, offer themselves for re-appointment.

Brief Resume of the Directors, nature of expertise in specific functional areas, names of companies in which the Directorship is held and the membership of the Committees of the Board and their shareholdings in the Company are given in the Notice for the ensuing Annual General Meeting.

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.

AUDITORS

You are requested to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of the 76th Annual General Meeting until the conclusion of the 77th Annual General Meeting of the Company.

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

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.

CORPORATE GOVERNANCE

Report on Corporate Governance, in terms of Clause 49 of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are annexed and forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and that they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2009;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the annual accounts have been prepared on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

There are no Employees coming under the purview of Section 217 (2A) of the Companies Act, 1956 and therefore such information has not been disclosed.

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

Your Company is not engaged in any manufacturing activities, and therefore, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy or technology absorption. During the year under review, the Company did not earn any foreign exchange and there was no expenditure in foreign exchange.

On behalf of the Board of Directors,

Dr. B. Samal
Chairman

Mumbai

Date: June 27, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT - 2009

Global Economic Scenario:

The year 2008 was a year of mayhem for the world economy and capital markets in particular. Globally termed as slowdown, meltdown, downturn, everyone recognised one thing, that a problem by any other name would still be a problem. The global financial crisis which began in 2007 took a turn for the worse in September 2008 with the collapse of several international financial institutions including investment banks, mortgage lenders and insurance companies. The situation intensified more after the collapse of Lehman Brothers and AIG Bank. Bankruptcies, bailouts and rescue packages soon surfaced. While the crisis began in the housing mortgage market, it soon extended to the money market and the credit market. As a result, several financial institutions were pushed to the brink of insolvency. The entire banking and financial system collapsed across the countries, leading to severe credit crunch and crash in the global stock markets. The factors which further contributed to the crisis were the escalating crude oil prices which in turn led to soaring food prices and global inflation. The repercussions were severe, with many countries sliding into recession and increased unemployment.

The Indian Economy:

Economic activity slowed down in first two quarters of 2008-09 as compared with over 9.0% growth in the previous three years. However there was a sharp decline in the third quarter following the failure of Lehman Brothers in mid-September 2008 and the ripple effects of the global financial crisis on the Indian economy. Consequently, the growth rate during the first three quarters (April-December) of 2008-09 slowed down significantly to 6.9% from 9.0% in the corresponding period of the previous year. The advance estimates of the Central Statistical Organisation (CSO) were revised and the GDP growth for the year 2008-09 was placed in the range of 6.5 to 6.7%. Growth in Index of Industrial Production (IIP) decelerated to 2.8% during (April 2008-February 2009) from 8.7% in the corresponding period of the previous year. The service sector was relatively well in 2008-09 so far (April-December) with growth of 9.7% from 10.5% in the corresponding period of 2007-08. Inflation climbed steadily during the year, reaching 8.75% at the end of May 2008, with an alarming increase in June and by July 2008, the inflation was above 11%, its highest rate in last so many years. As the year progressed and the crisis unfolded, economic prospects globally deteriorated rapidly and the theory of decoupling India from the global crisis did not sustain. Also the ghastly terrorist attacks which struck Mumbai further accelerated the situation.

Indian Capital Markets:

Indian capital market witnessed large scale volatility between September and October 2008. The Indian equity markets declined in line with major international equity markets. The

primary market segment witnessed slackness in resource mobilization during the second quarter of 2008-09. The resources raised through public issues declined to Rs.12,361 crore during April-September 2008 from Rs.31,850 crore during the corresponding period of the year 2007 and the number of issues also declined to 32 from 60. The global economic meltdown and its impact on Indian markets wiped out over Rs.40 lakh crore of investor wealth in 2008. The investor confidence was at its lowest during the said period. Due to constant fall in the stock market, investors took refuge in safe avenues like Fixed deposit with Banks. Foreign Institutional Investors (FIIs) withdrew from the Indian markets and there was a repatriation of about \$ 13 billion by the FIIs in 2008 on account of equity disinvestment which resulted in a sharp decline in equity prices and market capitalization. Besides, there was large-scale redemption of holdings with mutual funds which put further pressure on liquidity. The Government and the Regulatory authorities timely monitored and took several steps to ease out the situation and improve upon the liquidity in debt and equity markets.

Segment – Wise Performance:

Investment activity is the major segment in which your Company operates. The company invests in quoted as well as unquoted equity shares and in units of Mutual Funds. This segment has been influenced by the overall economic, regulatory and other global as well as domestic factors. The capital market barometer, the BSE Sensex was at 15771.72 on its opening on April 1, 2008, touched high at 17735.70 on May 5, 2008 and closed at 9708.50 on March 31, 2009. The Sensex was very volatile over the year. After reaching an all time high of 21207.77 on January 10, 2008, the stock market witnessed the biggest single day fall of 1408 points on January 21, 2008. Thereafter, there was a precipitous fall which can be mainly attributed to the sub-prime crisis, the failure of Investment banks in US and global markets crash. Since then, there has been a constant decline in the valuation of our portfolio of investments. The market value of the Company's quoted investments as on March 31, 2009 was Rs.1700.44 lakhs as against the book value of Rs.2718.62 lakhs. Although the erosion in value of the portfolio is considered a temporary phenomenon, a provision of Rs. 695.06 lakhs has been made as a matter of abundant conservation.

Opportunities, Threats, Risks and Concerns:

The Indian capital markets have not yet decoupled from the international markets and remain susceptible to events emanating from those countries. The Company's performance is closely linked to the Indian capital markets and the risks associated with the market operations. The value of the investments may be affected by factors which will have a bearing on the functioning of capital markets like price and volume volatility, interest rates, foreign investments and other parameters.

With various factors posing threats and high volatility of the capital markets, the management feels that till there is stability



and the overall improvement in the economy, investments should be done in safe avenues like Fixed Deposits with scheduled banks and in shares of growth oriented companies having a good track record. Considering the strong fundamentals of the Indian Economy, the capital markets are expected to revive in due course.

Financial Performance:

Due to unprecedented crash of the capital markets and the continual fall in the Sensex, there is great erosion in the market value of the Investment Portfolio which is considered a temporary phenomenon. The Company has been able to record a Profit after Tax of Rs.513.18 lakhs during the year after making provision of Rs.695.06 lakhs as aforesaid.

Internal Control System:

The Company has maintained an adequate system of Internal Controls. The assets are safeguarded and protected against loss from unauthorised use and disposition. The transactions are authorized, recorded and reported diligently. The internal control is supplemented by an effective internal audit carried out by an external firm of Chartered Accountants. The management regularly reviews the findings of these internal auditors and takes appropriate steps to implement the suggestions and observations made by them.

Outlook:

The global outlook has continued to deteriorate in the last quarter, with projections for global growth in 2009 undergoing rapid downward revision. IMF has projected that the global growth will shrink by 0.5 to 1.0% in contrast to an expansion of 3.2% in 2008. The IMF in its latest report has cautioned that the

economic downturn is likely to continue through 2009-10 and even further. The major economies are undergoing recession. The contagion of the financial crisis has now spread in other developing countries.

As for India, it is expected that it may not be as badly hit as other developing countries but the growth could be hampered due to the India's integration with global economy. The Economic Survey predicts that India's GDP could be around 7.75% in 2009-10 if the global economy improves, otherwise the GDP would be in the range of 6-6.25%. As far as capital markets are concerned, the FIIs have once again reposed faith and this can boost the confidence of the Indian investors. There may be volatile swings and certain corrections in the year ahead but it may augur well if the monsoon and the crude oil prices do not act as dampeners.

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 27, 2009

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, 2009 are given in the table below:

Sr. No	Name of the Directors	Category	No. of other Directorships held*	No. of Committee Memberships of other Companies#	No. of Committee Chairmanships of other Companies
1	Dr. B. Samal	NI / E Chairman & Managing Director	10	5	2
2	Mr. Bipin Agarwal	NI / NE Promoter	6	1	Nil
3	Mr. Swaran Singh	NI / NE Promoter	4	1	Nil
4	Mr. T.M. Nagarajan	I / NE	4	3	1
5	Mr. R.K. Mittal	I / NE	3	5	4
6	Mr. R.S. Loona	I / NE	1	2	Nil
7	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 and Shareholder / Investor Grievance Committee of Public Limited Companies.

During the year, Mr. R.K. Mittal and Mr. R.S. Loona have been appointed on 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 2008-2009, 9 Board Meetings were held i.e., on April 21, 2008, April 28, 2008, May 20, 2008, June 30, 2008, July 28, 2008, September 27, 2008, October 16, 2008, January 24, 2009 and March 9, 2009.

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

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Dr. B. Samal	9	Yes
Mr. Bipin Agarwal	9	Yes
Mr. Swaran Singh	6	No
Mr. T.M. Nagarajan	6	Yes
Mrs. Thankom Mathew	7	Yes
Mr. R.K. Mittal *	3	N.A.
Mr. R.S. Loona **	1	N.A.

* Appointed with effect from October 16, 2008 as Additional Director

** Appointed with effect from March 9, 2009 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 January 24, 2009.

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

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

During the year under review, 5 meetings of the Audit Committee were held, the dates being May 20, 2008, June 30, 2008, July 28, 2008, October 16, 2008 and January 24, 2009.

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. T.M. Nagarajan	Member / Chairman	4
Mr. Bipin Agarwal	Member	5
Mrs. Thankom Mathew	Member	4
Mr. R.K. Mittal *	Member	1
Dr. B. Samal **	Chairman	5



Mrs. Cumi Banerjee, Chief Executive Officer & Company Secretary acts as Secretary to the Committee and attends the meetings.

- * Appointed as Additional Director and as member of Audit Committee in the Board Meeting held on October 16, 2008
- ** Ceased to be member of Audit Committee from the conclusion of the Board Meeting held on January 24, 2009.

b) Remuneration Committee (Non-Mandatory):

Company constituted a Remuneration Committee on June 19, 2002 consisting of three Non – Executive and Independent Directors, which was subsequently dissolved on June 11, 2004 and reconstituted on January 13, 2005. The Committee was last reconstituted on January 24, 2009.

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.

During the year under review, 1 meeting of the Remuneration Committee was held on January 24, 2009.

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

Remuneration Committee Members	Status	No. of Remuneration Committee Meetings Attended
Mr. T.M. Nagarajan	Chairman	1
Mr. R.K. Mittal	Member	1
Mrs. Thankom Mathew	Member	Nil

Details of remuneration to the Chairman & Managing Director (CMD) for the year 2008-2009 are given below:

Name	Salary Rs.	Perquisites Rs.	Contribution to P.F and other funds including Gratuity settlement Rs.	Total Rs.
Dr. B. Samal	--	--	--	--

- i) The Board in its meeting held on January 24, 2009 appointed Dr. B. Samal as Executive Chairman & Managing Director of the Company for a period of

three years i.e. from January 24, 2009 to January 23, 2012. It was decided that no remuneration will be paid to the CMD for the period from January 24, 2009 till March 31, 2009.

- ii) Details of remuneration to Non-Executive Directors for the year 2008-2009 are given below:

Sitting Fees

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Dr. B. Samal	55,000	36,000	91,000
Mr. Bipin Agarwal	65,000	23,000	88,000
Mr. Swaran Singh	40,000	7,000	47,000
Mr. T.M. Nagarajan	50,000	24,000	74,000
Mrs. Thankom Mathew	50,000	29,000	79,000
Mr. R.K. Mittal	30,000	15,000	45,000
Mr. R.S. Loona	10,000	5,000	15,000
Total	3,00,000	1,39,000	4,39,000

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 share certificates; and
- (2) looks into various issues relating to share holders, including redressing of complaints received from shareholders, relating to transfer of shares, non-receipt of balance sheets, dividends etc. The Committee as on March 31, 2009 consists of 5 members, namely:

Mr. R.K. Mittal	- Non Executive Director- Chairman
Dr. B. Samal	- Member
Mr. T.M. Nagarajan	- Member
Mr. R.S. Loona	- Member
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, 6 meetings were held. Transfer formalities have been attended at least once in a fortnight.

- Name and designation : Mrs. Cumi Banerjee
of Compliance Officer : CEO & Company
Secretary
- No. of shareholders : 8
- complaints received
- No. of complaints : Nil
- not resolved to the
satisfaction of the
shareholders
- Pending complaints : Nil
as on 31.3.2009

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

d) Risk Management Committee (RMC)

The Board of Directors had constituted Risk Management Committee on June 2, 2006. It was reconstituted on March 5, 2008. The Committee as on March 31, 2009 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 Companies

Under the revised clause 49, Mr. T.M. Nagarajan, being Independent Director of the Company has been inducted as Director of IIT Investrust Limited and IIT Insurance Broking and Risk Management Private Limited, which are the non - listed subsidiaries 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 unlisted subsidiary Companies 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 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, 2009.

Disclosure on Risk Management

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

Code of Conduct

As required by the 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 Certification

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

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 of which 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.sebidifar.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, 2008	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.00 p.m.	Approval for payment of remuneration/ commission to Non-Executive Directors of the Company.
2	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.
3	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.

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

8. MEANS OF COMMUNICATIONS

- a) Quarterly / 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 : August 28, 2009 at: 3.00 p.m.

Venue : M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai – 400 001

b) Financial Calendar : 2009-2010

Adoption of Quarterly Results for

Quarter ending : in the month of
 June 2009 : July 2009
 September 2009 : October 2009
 December 2009 : January 2010
 March 2010 : June 2010

(Audited annual results)

- c) **Dividend Payment** : On or before
Date : September 26, 2009
- d) **Book Closure period** : August 21, 2009 to
 August 28, 2009
- 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, 2010.

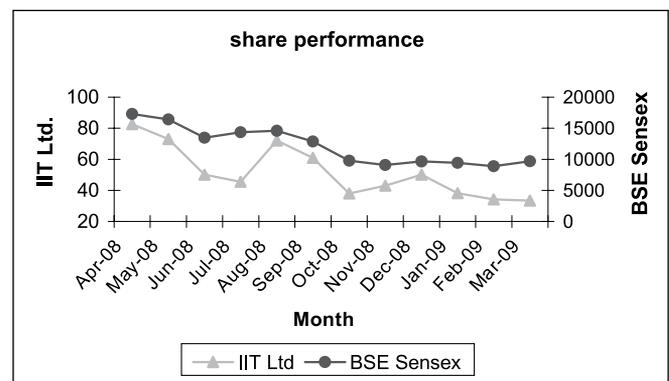
f) **Stock Code at BSE** : 501295

g) Stock price data at the BSE

Month	High Rs.	Low Rs.
April, 2008	99.95	50.05
May, 2008	102.30	68.00
June, 2008	72.45	48.10
July, 2008	50.00	40.00
August, 2008	72.00	42.55
September, 2008	75.00	56.20
October, 2008	62.05	35.05
November, 2008	44.00	37.95
December, 2008	56.85	41.00
January, 2009	55.00	38.05
February, 2009	39.70	30.00
March, 2009	36.45	27.15

h) Graph

- Share Price / BSE (Monthly Closing)



i) Registrar and Transfer Agents

Link Intime India Private Limited
(Formerly known as 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 Link Intime India Private Limited and is approved by the Share Transfer Committee / CEO & Company Secretary of the Company as the case may be. The transfer of shares is effected and share certificates are despatched within a period of 30 days from the date of receipt, provided that the relevant documents are complete in all respects.

k) Distribution of shareholding as on March 31, 2009

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 – 500	2200	74.96	380803	3.81
501 – 1000	316	10.77	274732	2.75
1001 – 2000	171	5.83	277033	2.77
2001 – 3000	83	2.83	213553	2.13
3001 – 4000	32	1.09	114594	1.15
4001 – 5000	42	1.43	205123	2.05
5001 – 10000	48	1.63	348579	3.48
10001 – 10000000	43	1.46	8185583	81.86
TOTAL	2935	100.00	10000000	100.00

Shareholding pattern as on March 31, 2009

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	62,01,204	62.01
Foreign Company	-	-	-
Non Resident (Individual & Companies)	33	97,250	0.97
Foreign Institutional Investors	-	-	-
Insurance Companies	3	12,64,311	12.64
Financial Institutions / Banks	17	1,20,650	1.21
Mutual Fund	-	-	-
Central Government / State Government(s)	2	37,200	0.37
Resident Individuals	2,751	20,25,545	20.26
Other bodies corporate	123	2,53,840	2.54
TOTAL	2,935	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, 2009, a total of 89,62,564 shares of the company which forms 89.63 % of the share capital of the company stands dematerialised.

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

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

n) Address for Correspondence

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

Address of the Registrar & Share Transfer Agents

Link Intime India Private Limited
(Formerly known as 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 – CEO & Company Secretary
Tel. No.: 2266 5453

Auditor's Certificate on Corporate Governance

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

Declaration on compliance with Code of Conduct

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

On behalf of the Board of Directors

DR. B. SAMAL
Chairman

Place : Mumbai
Date: June 27, 2009



Auditors' Certificate

To the Members of Industrial Investment Trust Limited

We have examined the compliance of the conditions of corporate governance by **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company") for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited (hereinafter referred to as clause 49).

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in clause 49.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Z. F. Billimoria
Partner

(Membership No. 42791)

Mumbai: 27th June, 2009

AUDITORS' REPORT

TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED

1. We have audited the attached Balance Sheet of **Industrial Investment Trust Limited** as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
 - (vi) On the basis of the written representations from the directors, taken on record by the Board of Directors as on 31st March, 2009, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants

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

Mumbai: 27th June, 2009



ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have been physically verified during the year by the Management in accordance with a program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) There were no disposal of fixed assets during the year and therefore the question of reporting under clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said order) does not arise.
- (ii) Since the Company does not have any inventory, the question of reporting under clause 4(ii) of the said Order does not arise.
- (iii) In respect of loans, secured or unsecured, to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) The Company has taken unsecured loan from a Company. At the year-end, the outstanding balance of such loan is Rs. Nil and the maximum amount involved during the year was Rs. 50,000,000.
 - (b) The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) The payment of principal amount and interest in respect of such loan are regular / as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any major weakness in such internal controls.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions [excluding loans reported under paragraph (iii) above] is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices wherever applicable, at the relevant time, except in respect of payments made for certain services wherein comparative rates are not available owing to their nature.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Sections 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 of 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 internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records Section 209(1)(d) of the Act. Accordingly the question of reporting under clause 4(viii) of the said Order does not arise.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Cess and other material statutory dues with the appropriate authorities during the year.
 - (b) There were no undisputed amounts payable on account of the above dues outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - (c) There were no disputed Income-tax, Sales tax, Wealth tax, Service tax and Cess which were not deposited as on 31st March, 2009, except as stated below:

Nature of the dues	Amount (Rs.)	Period to which the 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)
The Wealth tax Act, 1957: Wealth tax	3,250,246	A.Y. 1997-98	High Court, Mumbai

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any loans from financial institutions or banks nor has it issued any debentures. Accordingly, the question of reporting under clause 4(xi) of the said Order does not arise.
- (xii) In our opinion, the Company has maintained adequate documents and records, where it 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 nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- (xiv) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.

- (xv) According to the information and explanations given to us, the Company has not given 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 reporting under clause 4(xvi) of the said Order 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 funds raised on short-term basis have, prima facie, not been used for long-term investment.
- (xviii) According to the information and explanations given to us, 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 under clause 4(xviii) of the said Order does not arise.
- (xix) The Company has not issued any debentures. Accordingly, the question of reporting under clause 4(xix) of the said Order does not arise.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the question of reporting under clause 4(xx) of the said Order does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants

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

Mumbai: 27th June, 2009

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	<u>598,912,046</u>	<u>559,293,450</u>
		698,912,046	659,293,450
(2) LOAN FUNDS			
Unsecured loan- short term loan from others		-	50,000,000
(3) DEFERRED TAX LIABILITY (See Note 6)			
		<u>1,552,753</u>	-
Total		<u>700,464,799</u>	<u>709,293,450</u>
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"C"	49,630,942	48,621,687
(b) Less: Depreciation		<u>43,235,566</u>	<u>42,281,531</u>
(c) Net block		6,395,376	6,340,156
(2) INVESTMENTS			
	"D"	347,627,071	350,628,907
(3) CURRENT ASSETS, LOANS AND ADVANCES			
(a) Sundry debtors	"E"	107,280,553	50,014,206
(b) Cash and bank balances		125,433,997	87,229,489
(c) Other current assets		4,605,702	17,544,131
(d) Loans and advances		<u>139,311,230</u>	<u>241,087,589</u>
		376,631,482	395,875,415
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	"F"	17,955,524	18,550,737
(b) Provisions		<u>12,233,606</u>	<u>25,000,291</u>
		30,189,130	43,551,028
NET CURRENT ASSETS		<u>346,442,352</u>	<u>352,324,387</u>
Total		<u>700,464,799</u>	<u>709,293,450</u>
NOTES TO THE ACCOUNTS			
The schedules referred to above form an integral part of the Balance Sheet			
"J"			

As per our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

Mumbai : 27th June, 2009

For and on behalf of the Board of Directors

DR. B. SAMAL BIPIN AGARWAL
Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 27th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
INCOME			
Dividend on long term investments - other than trade		6,729,530	1,842,103
Interest	"G"	29,558,035	27,913,228
Rent on immovable property		13,665,840	13,665,840
Fees		28,125,000	-
Net profit on sale of long term investments		53,377,281	-
Net profit on sale of fixed assets		-	2,999,813
Provision for doubtful loans and interest accrued no longer required		45,612,027	39,695,185
Provision for diminution in value of investments no longer required		-	107,552,998
Miscellaneous		10,472	468,487
Total		177,078,185	194,137,654
EXPENDITURE			
Personnel expenses	"H"	4,392,649	2,494,297
Operating and other expenses	"I"	40,792,401	11,135,467
Provision for diminution in the value of investments		69,506,406	-
Net loss on sale of long term investments		-	22,121,090
Net loss on trading in equity shares & equity derivative instruments		-	487,518
Interest- other than on fixed loans		1,295,901	12,305,708
Depreciation on fixed assets	"C"	954,035	957,302
Depreciation on investment in immovable property		12,300	12,948
Total		116,953,692	49,514,330
PROFIT BEFORE TAXATION		60,124,493	144,623,324
Provision for taxation			
- Current tax (See Note 6)		(6,500,000)	(16,200,000)
- Deferred tax		(1,552,753)	-
- Fringe benefit tax		(114,000)	(70,000)
- Income-tax adjustment for prior years		(639,644)	-
PROFIT AFTER TAXATION		51,318,096	128,353,324
Add: Balance brought forward from last year		196,458,642	130,504,318
AMOUNT AVAILABLE FOR APPROPRIATIONS		247,776,738	258,857,642
Less: Appropriations			
Transfer to special reserve		10,300,000	26,000,000
Proposed dividend		10,000,000	20,000,000
Tax on dividend		1,699,500	3,399,000
Transfer to general reserve		1,300,000	13,000,000
BALANCE CARRIED TO BALANCE SHEET		224,477,238	196,458,642
NOTES TO THE ACCOUNTS			
	"J"		
The schedules referred to above form an integral part of the Profit and Loss Account			
Basic and Diluted earnings per equity share (Rs.)		5.13	12.84
Nominal value per equity share (Rs.) (See Note 3)		10.00	10.00

As per our report attached.

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

Mumbai : 27th June, 2009

For and on behalf of the Board of Directors

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

Mumbai : 27th June, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	60,124,493	144,623,324
Adjustments for:		
Depreciation	966,335	970,250
Interest other than interest on investments	(29,558,035)	(27,913,228)
Interest paid	1,295,901	12,305,708
Provision for doubtful loans and interest accrued no longer required	(45,612,027)	(39,695,185)
Provision for diminution in value of investments no longer required	-	(107,552,998)
Provision for diminution in value of investments	69,506,406	-
Net (profit) / loss on sale of long term investments	(53,377,281)	22,121,090
Net profit on sale of fixed assets	-	(2,999,813)
Operating profit before working capital changes	<u>3,345,792</u>	<u>1,859,148</u>
Increase / (decrease) in current liabilities	16,305	(24,135,433)
Increase in provision for compensated absences	204,796	53,021
Increase in sundry debtors	(57,266,347)	(26,264,206)
Decrease / (increase) in advances and other current assets	4,550,597	(1,623,640)
Other adjustments :		
Purchase of long term investments	(766,663,614)	(1,272,652,034)
Sale of long term investments	753,524,025	1,639,969,944
Sale of investments in associates	-	7,767,833
Sale of investments in subsidiary	-	500,000
Loans granted	(50,000,000)	(371,464,571)
Repayment of loans granted	197,045,573	222,088,904
Interest received other than interest on investments	42,565,184	10,369,097
Interest paid	(1,295,901)	(12,305,708)
Cash generated from operations	<u>126,026,410</u>	<u>174,162,355</u>
Direct taxes paid (including fringe benefit tax)	(12,802,129)	(19,783,278)
Net cash (used in) / generated from operating activities	<u>113,224,281</u>	<u>154,379,077</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,009,255)	(1,815,600)
Sale of fixed assets	-	8,871,666
Net cash generated (used in) / from investing activities	<u>(1,009,255)</u>	<u>7,056,066</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	465,638,444
Repayment of borrowings	(50,000,000)	(520,502,137)
Proposed dividend	(20,611,518)	(19,657,732)
Tax on proposed dividend	(3,399,000)	(3,399,000)
Net cash used in financing activities	<u>(74,010,518)</u>	<u>(77,920,425)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>38,204,508</u>	<u>83,514,718</u>

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year, as per Schedule E	87,229,489	3,714,771
As at the end of the year, as per Schedule E	125,433,997	87,229,489
NET INCREASE AS DISCLOSED ABOVE	38,204,508	83,514,718

Note:

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

As per our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

Mumbai : 27th June, 2009

For and on behalf of the Board of Directors

DR. B. SAMAL BIPIN AGARWAL
Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 27th June, 2009

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
	<u> </u>	<u> </u>
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
15,000,000 Equity shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up:		
10,000,000 Equity shares of Rs.10 each fully paid-up (of the above 8,999,850 equity shares are allotted as fully paid-up bonus shares by capitalisation of capital reserve and general reserve)	<u>100,000,000</u>	<u>100,000,000</u>
Total	<u><u>100,000,000</u></u>	<u><u>100,000,000</u></u>
SCHEDULE "B"		
RESERVES AND SURPLUS		
Capital reserve:		
Balance as per last balance sheet	750	750
General reserve:		
Balance as per last balance sheet	158,591,058	145,591,058
Add: Transferred from profit and loss account	<u>1,300,000</u>	<u>13,000,000</u>
	<u>159,891,058</u>	<u>158,591,058</u>
Special reserve (as per the RBI regulations)		
Balance as per last balance sheet	204,243,000	178,243,000
Add: Transferred from profit and loss account	<u>10,300,000</u>	<u>26,000,000</u>
	<u>214,543,000</u>	<u>204,243,000</u>
Balance in Profit and Loss Account	<u>224,477,238</u>	<u>196,458,642</u>
Total	<u><u>598,912,046</u></u>	<u><u>559,293,450</u></u>

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

(Rs.)

ASSETS	COST		DEPRECIATION		NET BLOCK	
	As at 1st April, 2008	Additions during the year	As at 1st April, 2008	For the year	As at 31st March, 2009	As at 31st March, 2008
Buildings	9,100,000	-	4,662,158	221,892	4,884,050	4,437,842
Furniture, fixtures & office equipment	6,720,832	97,435	5,621,861	173,896	5,795,757	1,098,971
Motor cars	-	905,870	-	234,530	234,530	-
Computers	32,800,855	5,950	31,997,512	323,717	32,321,229	803,343
Total	48,621,687	1,009,255	42,281,531	954,035	43,235,566	6,340,156
Previous year	56,535,304	1,815,600	45,181,593	957,302	46,138,895	3,857,364

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "D"		
INVESTMENTS :		
Long term (at or under cost)		
Trade Investments (details as per supporting schedule)		
Unquoted		
Equity shares in subsidiary companies, fully paid-up	122,410,000	117,410,000
Less: Provision for diminution in the value of investments	(117,410,000)	(117,410,000)
	5,000,000	-
Quoted		
Equity shares in a subsidiary company, fully paid-up	133,926,834	-
	(i) 138,926,834	-
Other Investments (details as per supporting schedule)		
Unquoted:		
Units of Mutual Fund, fully paid-up	70,530,972	160,190,589
Quoted:		
Equity shares, fully paid-up	207,441,964	190,192,311
Less: Provision for diminution in the value of investments	(69,506,406)	-
	137,935,558	190,192,311
	(ii) 208,466,530	350,382,900
Immovable property		
Cost as per last balance sheet	1,069,071	1,069,071
Less: Depreciation to-date	835,364	823,064
	233,707	246,007
	(iii) 347,627,071	350,628,907
Total (i)+(ii)+(iii)	347,627,071	350,628,907
Aggregate amount of quoted investments [Market value Rs.170,043,819; (as at 31st March, 2008: Rs. 123,528,182)]	271,862,392	190,192,311
Aggregate amount of unquoted investments	75,530,972	160,190,589
Immovable property	233,707	246,007
Total	347,627,071	350,628,907

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "E"		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Sundry debtors (unsecured, considered good):		
Outstanding for a period exceeding six months	-	6,395,406
Others	<u>107,280,553</u>	<u>43,618,800</u>
	107,280,553	50,014,206
(b) Cash and bank balances:		
Cash on hand	8,618	16,802
With Scheduled banks:		
- On Current account	7,721,162	5,855,468
- On Unpaid dividend account	2,704,217	3,315,063
- On Fixed deposit account	<u>115,000,000</u>	<u>78,042,156</u>
	125,433,997	87,229,489
(c) Other current assets (considered good, unless otherwise stated):		
Investment income receivable	68,720	-
Interest accrued on bank deposits	2,057,445	1,685,811
Interest accrued on deposits with bodies corporate and others (considered doubtful: Rs.151,315; as at 31st March, 2008: Rs.151,315)	<u>2,630,852</u>	<u>16,009,635</u>
	4,757,017	17,695,446
Less: Provision for doubtful interest	<u>(151,315)</u>	<u>(151,315)</u>
	4,605,702	17,544,131
(d) Loans and advances (unsecured, considered good, unless otherwise stated):		
Loans to subsidiaries (considered doubtful)	54,318,408	99,930,435
Loans to others [includes Rs.100,000,000 (as at 31st March, 2008: Rs.140,000,000 secured by way of pledge of shares] (considered doubtful: Rs.132,610,131; as at 31st March, 2008: Rs.132,610,131)	<u>232,610,131</u>	<u>334,043,677</u>
	286,928,539	433,974,112
Less: Provision for doubtful loans	<u>(186,928,539)</u>	<u>(232,540,566)</u>
	100,000,000	201,433,546
Advances recoverable in cash or in kind or for value to be received	7,353,048	11,972,365
Advance payment of income tax (net of provision)	<u>31,958,182</u>	<u>27,681,678</u>
	139,311,230	241,087,589
Total	376,631,482	395,875,415

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "F"		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities:		
Sundry creditors (no outstanding dues of micro enterprises and small enterprises) (See Note 5)	423,104	436,337
Rent received in advance	1,138,820	1,138,820
Security deposits	13,659,845	13,659,845
Other liabilities	29,538	-
Investor Protection and Education Fund shall be credited by the following amounts when due:		
Unclaimed dividends	2,704,217	3,315,735
	17,955,524	18,550,737
(b) Provisions:		
Proposed dividend	10,000,000	20,000,000
Tax on proposed dividend	1,699,500	3,399,000
Compensated absences	294,013	89,217
Provision for income tax (net of advance tax)	91,598	1,408,943
Provision for fringe benefit tax (net of advance tax)	148,495	103,131
	12,233,606	25,000,291
Total	30,189,130	43,551,028

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
SCHEDULE "G"		
INTEREST :		
On deposits with banks (gross) (tax deducted at source Rs. 1,760,355; as at 31st March, 2008: Rs. 2,058,858)	8,939,869	9,397,843
On loans (tax deducted at source Rs. 4,068,627; as at 31st March, 2008: Rs. 2,863,363)	19,301,487	18,293,823
On income tax refund	837,007	221,562
Others (tax deducted at source Rs. 98,812; as at 31st March, 2008: Rs. Nil)	479,672	-
Total	29,558,035	27,913,228
SCHEDULE "H"		
PERSONNEL EXPENSES		
Salaries and bonus	3,874,489	2,096,390
Contribution to provident and other funds (See Note 8)	415,764	225,894
Staff welfare expenses	102,396	172,013
Total	4,392,649	2,494,297
SCHEDULE "I"		
OPERATING AND OTHER EXPENSES		
Rates and taxes	6,720	20,213
Rent	2,864,280	2,569,570
Travelling and conveyance	1,000,627	289,133
Insurance	8,885	24,377
Printing and stationery	249,587	202,653
Sub-contracting charges	25,312,500	-
Communication expenses	260,876	229,911
Electricity	686,353	682,171
Repairs and maintenance:		
- Buildings	1,450,827	2,620,738
- Computers	34,805	23,320
- Others	60,881	235,569
	1,546,513	2,879,627
Legal and professional fees	3,044,667	1,967,800
Directors' fees	439,000	292,000
Membership fees	117,784	117,927
Auditors' remuneration:		
-Audit fees	260,000	260,000
-Other services	480,000	491,904
-Out of pocket expenses	5,020	4,337
-Service tax	86,703	93,471
	831,723	849,712
Interest on Income tax	2,802,160	-
Advertisement	532,808	150,764
Miscellaneous	1,087,918	859,609
Total	40,792,401	11,135,467

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE****SCHEDULE "J"****NOTES TO THE ACCOUNTS****(1) Significant Accounting Policies****(i) Basis of accounting:**

The financial statements are prepared under historical cost convention, on an accrual basis and are in accordance with the requirements of the Companies Act, 1956, and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the said Act. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(ii) Revenue Recognition:

- (a) Interest on all lending such as inter corporate deposits and finance against securities are accounted on accrual basis.
- (b) Dividend is accounted when the right to receive payment is established and known.
- (c) Income from consultancy or advisory services are accounted as per the terms of contract with the customers.

(iii) Fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

(iv) Depreciation:

- (a) Depreciation on fixed assets and investment in immovable property is provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.

(v) 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.

(vi) 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.

(vii) Taxation:

Tax expense comprises current, deferred and fringe benefit tax. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date.

Deferred tax assets other than on carried forward losses and unabsorbed depreciation are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax asset on account of carried forward losses and unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal Income-tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

(viii) Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(ix) Employee benefits:

(a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered

(b) Long term employee benefits:

(i) Defined Contribution Plan:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Employees Provident Fund Organisation. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

(ii) Defined Benefit Plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contribution to LIC of India based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the Profit and Loss Account.

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The Employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the profit and loss account.

	31st March, 2009	31st March, 2008
	Rs.	Rs.
(2) Contingent liabilities not provided for in respect of:		
(a) Disputed income-tax matters on appeal.	24,584,042	25,919,770
(b) Disputed wealth-tax matter on appeal.	3,250,246	-

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

(3) Basic earnings per share has been calculated by dividing profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under

	Year ended	Year ended
	31st March, 2009	31st March, 2008
(a) Numerator: Profit after tax (Rs.)	51,318,096	128,353,324
(b) Denominator: Weighted average number of equity shares	10,000,000	10,000,000
(c) Basic, as well as diluted, earnings per equity share (in Rs.)	5.13	12.84



(4) Related party disclosures:

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

Subsidiary companies: IIT Corporate Services Limited (upto 1st August, 2007)
 IIT Investrust Limited
 Indo Green Projects Limited (w.e.f. 5th August, 2008)
 IIT Insurance Broking and Risk Management Pvt. Limited
 (w.e.f. 25th September, 2008)

(b) Names of other related parties and nature of relationship where there are transactions with related parties:

Associate companies: Nu-tech Corporate Services Limited (upto 30th July, 2007)
 Key management personnel: Dr. B. Samal, Executive Director (w.e.f. 24th January, 2009)
 Companies in which directors have significant influence: Systematix Shares & Stocks (I) Ltd. (upto 4th March, 2008)
 Southern Windfarms Pvt. Limited (upto 4th March, 2008)
 SQL Star International Limited (upto 4th March, 2008)
 Systematix Fincorp India Limited (upto 4th March, 2008)
 (Formerly Known as Golia Investment and Finance Limited)
 N.N. Financial Services Pvt. Limited.

(II)

Sr. No.	Nature of transactions	Subsidiary companies	Associate companies	Key management personnel	Companies in which directors have significant influence
		Rs.	Rs.	Rs.	Rs.
(I)	Volume of transactions:				
(i)	Loans given				
	-IIT Corporate Services Limited	- (3,000,000)	- (-)	- (-)	- (-)
	-IIT Investrust Limited	- (11,370,000)	- (-)	- (-)	- (-)
	-SQL Star International Limited	- (-)	- (-)	- (-)	- (80,000,000)
	-Systematix Fincorp India Limited	- (-)	- (-)	- (-)	- (220,100,000)
(ii)	Refund of loans given				
	-IIT Investrust Limited	45,612,027 (52,310,185)	- (-)	- (-)	- (-)
	-IIT Corporate Services Limited	- (2,500,000)	- (-)	- (-)	- (-)
	-SQL Star International Limited	- (-)	- (-)	- (-)	- (75,000,000)
	Systematix Fincorp India Limited	- (-)	- (-)	- (-)	- (60,100,000)

Sr. No.	Nature of transactions	Subsidiary companies	Associate companies	Key management personnel	Companies in which directors have significant influence
		Rs.	Rs.	Rs.	Rs.
(iii)	Loans taken -N.N. Financial Services Pvt Limited	- (-)	- (-)	- (-)	- (50,000,000)
(iv)	ICDs given -Nu-tech Corporate Services Limited	- (-)	- (7,45,000)	- (-)	- (-)
(v)	Refund of loan taken -SQL Star International Limited - N.N. Financial Services Pvt Limited	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (5,000,000) 50,000,000 (-)
(vi)	Purchase of equity shares - Indo Green Projects Limited	133,926,834 (-)	- (-)	- (-)	- (-)
(vii)	Subscription of equity shares - IIT Insurance Broking & Risk Management Pvt. Limited	5,000,000 (-)	- (-)	- (-)	- (-)
(viii)	Interest income -SQL Star International Limited -Systematix Fincorp India Limited	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (7,195,086) - (2,913,271)
(ix)	Interest expenses -SQL Star International Limited -N.N. Financial Services Pvt. Limited	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (62,466) 1,295,901 (120,219)
(x)	Purchase of securities & derivative instruments - Systematix Shares & Stocks (I) Limited	- (-)	- (-)	- (-)	- (486,105,598)
(xi)	Consultancy charges paid (including Service Tax) -IIT Investrust Limited	27,147,960 (-)	- (-)	- (-)	- (-)
(xii)	Sale of securities & derivative instruments - Systematix Shares & Stocks (I) Limited	- (-)	- (-)	- (-)	- (935,091,345)
(II)	Receivable as at year end -IIT Investrust Limited	54,318,408 (99,930,435)	- (-)	- (-)	- (-)
(III)	Provision there against -IIT Investrust Limited	54,318,408 (99,930,435)	- (-)	- (-)	- (-)
(IV)	Payable as at year end - N.N. Financial Services Pvt. Limited	- (-)	- (-)	- (-)	- (50,000,000)

Figures in brackets are the corresponding figures of the previous year



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

	Name	Balance as at 31 st March, 2009	Maximum amount outstanding during the year ended 31 st March, 2009	No. of shares of the company held by the loanees as at 31 st March, 2009
		Rs.	Rs.	Rs.
A.	Loans and advances in the nature of loans to subsidiaries and associates -			
	IIT Investrust Limited *	54,318,408 (99,930,435)	99,930,435 (140,990,620)	- (-)
B.	Loans and advances in the nature of loans where there is: (i) Payment beyond seven years or (ii) no interest or interest below Section 372A of the Companies Act, 1956-			
	(i) IIT Corporate Services Limited*	83,348,000 (83,348,000)	83,348,000 (83,348,000)	- (-)
	(ii) Nu-tech Corporate Services Limited*	44,762,131 (44,762,131)	44,762,131 (44,762,131)	- (-)
	(iii) Yash Safety Product Limited*	2,500,000 (2,500,000)	2,500,000 (2,500,000)	- (-)
	(iv) Micro Precision Pumps & Gears Limited*	2,000,000 (2,000,000)	2,000,000 (2,000,000)	- (-)

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

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

(5) 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.

(6) The Company has not recognised deferred tax assets on account of provision for compensated absences amounting to Rs. 90,790 due to absence of virtual certainty on account of carried forward business losses. The deferred tax liability of Rs. 1,552,753 is on account of depreciation.

MAT credit of Rs. 15,124,107 is not recognised as an asset as the company has carried forward business losses.

(7) The Company did not have a managing or a whole time director or manager up to 23rd January, 2009. Thereafter, Dr. B. Samal has been appointed as an executive director. However, no remuneration has been paid to him.

(8) Employee Benefits

A. Defined Contribution Plan

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

	31 st March, 2009 Rs.	31 st March, 2008 Rs.
Employer's contribution to Regional Provident Fund Commissioner	245,071	118,644
Employer's contribution to Family Pension Fund	55,596	33,001

B. Defined Benefit Plan

	Gratuity (funded)	
	31st March, 2009	31st March, 2008
	Rs.	Rs.
i. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as at the beginning of the year	146,473	72,224
Interest Cost	10,253	5,778
Current Service Cost	86,318	53,872
Benefits paid	-	-
Net Actuarial Loss	58,345	14,599
Present value of Defined Benefit Obligation as at the end of the year	<u>301,389</u>	<u>146,473</u>
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	525,128	490,010
Expected return on Plan Assets	39,836	35,118
Net Actuarial Gain / (Loss)	-	-
Employer's Contribution	-	-
Benefits paid	-	-
Fair value of Plan Assets as at the end of the year	<u>564,964</u>	<u>525,128</u>
The Company expects to contribute Rs. 115,000 to its Defined Benefit Gratuity plan during the annual period beginning after the balance sheet date.		
The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
Funds maintained with Life Insurance Corporation of India	100%	100%
Note: The Company is unable to obtain the details of major category of plan assets from the insurance company (Life Insurance Corporation of India) and hence the disclosure thereof is not made.		
iii. Net assets / (liabilities) recognised in the Balance Sheet		
Present value of Defined Benefit Obligation	(301,389)	(146,473)
Fair value of Plan Assets	564,964	525,128
Net assets recognised in the Balance Sheet	<u>263,575</u>	<u>378,655</u>
	Gratuity (funded)	
	31st March, 2009	31st March, 2008
	Rs.	Rs.
iv. Components of Employer's Expenses		
Current Service Cost	86,318	53,872
Interest Cost	10,253	5,778
Expected on Plan Assets	(39,836)	-
Net Actuarial Loss	58,345	14,599
Total expense recognised in the Profit and Loss Account in Schedule "H" under:	<u>115,080</u>	<u>74,249</u>
Contribution to provident and other funds		
Actual return on Plan Assets	39,836	35,118
v. Actuarial Assumptions	LIC (1994-96) (Ultimate)	
Mortality Table		
Discount rate	7%	8%
Expected rate of return on Plan Assets	7.6%	9.8%
Salary escalation	5%	5%



- vi. a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.
- c. Expected rate of return on assets is determined based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
- vii. The above information is as certified by the actuary and relied upon by the auditors.
- viii. Net assets / (liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustment:

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

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

- (9) Since the Company has disclosed segment information in the consolidated accounts the same have not been disclosed in the aforesaid financial statements in terms of para. 4 of Accounting Standard (AS) 17 on Segment Reporting as notified under The Companies (Accounting Standards) Rules, 2006.
- (10) The figures relating to the previous year have been regrouped wherever necessary.

Signatures to Schedules "A" to "J"

For and on behalf of the Board of Directors

DR. B. SAMAL BIPIN AGARWAL
Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 27th June, 2009

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
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 State Code

1	1
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Balance Sheet Date

3	1
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II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue																				
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							N	I	L												
							N	I	L												
Bonus Issue	Private Placement																				
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							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="width: 100%;"><tr><td> </td><td> </td><td> </td><td>7</td><td>0</td><td>0</td><td>4</td><td>6</td><td>5</td></tr></table>				7	0	0	4	6	5	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>7</td><td>0</td><td>0</td><td>4</td><td>6</td><td>5</td></tr></table>				7	0	0	4	6	5			
			7	0	0	4	6	5														
			7	0	0	4	6	5														
Source of Funds:																						
Paid up Capital	Reserves & Surplus																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>				1	0	0	0	0	0	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>5</td><td>9</td><td>8</td><td>9</td><td>1</td><td>2</td></tr></table>				5	9	8	9	1	2			
			1	0	0	0	0	0														
			5	9	8	9	1	2														
Secured Loans	Deferred tax Liabilities																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>5</td><td>5</td><td>3</td></tr></table>								1	5	5	3
							N	I	L													
							1	5	5	3												
1 Application of Funds:																						
Net Fixed Assets	Investments																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>6</td><td>3</td><td>9</td><td>5</td></tr></table>							6	3	9	5	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>3</td><td>4</td><td>7</td><td>6</td><td>2</td><td>7</td></tr></table>				3	4	7	6	2	7		
						6	3	9	5													
			3	4	7	6	2	7														
Net Current Assets	Deferred tax asset (net)																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>3</td><td>4</td><td>6</td><td>4</td><td>4</td><td>3</td></tr></table>				3	4	6	4	4	3	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L		
			3	4	6	4	4	3														
							N	I	L													
Misc. Expenditure	Accumulated Losses																					
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>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="width: 100%;"><tr><td> </td><td> </td><td> </td><td>1</td><td>7</td><td>7</td><td>0</td><td>7</td><td>8</td></tr></table>				1	7	7	0	7	8	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>1</td><td>1</td><td>6</td><td>9</td><td>5</td><td>4</td></tr></table>				1	1	6	9	5	4
			1	7	7	0	7	8											
			1	1	6	9	5	4											
Profit(+)/Loss(-) Before Tax	Profit(+)/Loss(-) After Tax																		
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>6</td><td>0</td><td>1</td><td>2</td><td>4</td></tr></table>				6	0	1	2	4	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>5</td><td>1</td><td>3</td><td>1</td><td>8</td></tr></table>				5	1	3	1	8		
			6	0	1	2	4												
			5	1	3	1	8												
Earnings per share in Rs.	Dividend (%)																		
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>5</td><td>.</td><td>1</td><td>3</td></tr></table>				5	.	1	3	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>0</td></tr></table>								1	0		
			5	.	1	3													
							1	0											

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

Item Code No.(ITC Code)	Product Description																				
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							N.	A.													
I	N	V	E	S	T	M	E	N	T	S											
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N.</td><td>A.</td></tr></table>								N.	A.	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td>C</td><td>O</td><td>R</td><td>P</td><td>O</td><td>R</td><td>A</td><td>T</td><td>E</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="width: 100%;"><tr><td> </td><td> </td><td>S</td><td>E</td><td>R</td><td>V</td><td>I</td><td>C</td><td>E</td><td>S</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
CEO & Company Secretary

Mumbai: June 27, 2009.



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INDUSTRIAL INVESTMENT TRUST LIMITED

As required under the Reserve Bank of India's Notification No. DNBS. 201 /DG(VL) – 2008 dated 18th September, 2008, on the basis of our audit of the books of account and other records of the Company for the year ended 31st March, 2009 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management we report as follows in terms of paragraphs 3 and 4 of the Notification:

1. The Company is engaged in the business of Non- Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has been classified as an Investment Company as indicated in the Certificate of Registration (CoR) bearing No. B-13.01368 dated 15th September, 2000 from the Reserve Bank of India ("the RBI").
2. The Company is entitled to continue to hold the CoR based on its asset / income pattern as on 31st March, 2009, which have been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19th October, 2006 and for which we have issued a separate certificate dated

27th June, 2009 as required in terms of para.15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

3. The Board of Directors has passed a resolution on 21st April, 2008 for non-acceptance of public deposits.
4. The Company has not accepted any public deposit during the year.
5. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. Billimoria
Partner

Mumbai: 27th June, 2009

(Membership No. 42791)

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2009 OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY
(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

(Rupees)

Particulars		31-03-2009		31-03-2008	
		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	-	-	5,00,00,000	-
	(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	-	-	-	-



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

Category	31-03-2009			31-03-2008		
	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	-	139,311,230	139,311,230	-	241,087,589	241,087,589
Total	-	139,311,230	139,311,230	-	241,087,589	241,087,589

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

Category	31-03-2009		31-03-2008	
	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	117,973,339	138,926,834	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	119,143,677	208,466,530	283,718,771	350,382,900
Total	237,117,016	347,393,364	283,718,771	350,382,900

(8) **Other information**

Particulars	31-03-2009 Amount	31-03-2008 Amount
(i) Gross Non-performing Assets		
(a) Related parties	171,728,408	217,340,435
(b) Other than related parties	202,267,852	132,761,446
(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
CEO & Company Secretary

Mumbai: June 27, 2009

SCHEDULE OF INVESTMENTS FORMING PART OF SCHEDULE "D" TO THE ACCOUNTS

Name of the Company	Face Value per Scrip Rupees	As at 31.03.2009		As at 31.03.2008	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
UNQUOTED TRADE INVESTMENTS					
Equity shares in subsidiary companies, fully paid-up:					
IIT INVESTRUST LIMITED	10	12,375,000	117,410,000	12,375,000	117,410,000
IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED	10	500,000	5,000,000	-	-
	Total		122,410,000		117,410,000
QUOTED TRADE INVESTMENTS					
Equity shares in a subsidiary company, fully paid-up:					
INDO GREEN PROJECTS LIMITED	10	3,516,910	133,926,834	-	-
	Total		133,926,834		-
UNQUOTED OTHER INVESTMENTS					
Units of Mutual Fund, fully paid-up:					
BIRLA SUN LIFE LIQUID PLUS INSTITUTIONAL DAILY DIVIDEND REINVESTMENT		-	-	3,997,282	40,000,000
UTI-GILT ADVANTAGE FUND LTP DIVIDEND PLAN PAYOUT		2,193,814	29,446,911	-	-
UTI-BOND FUND		843,192	10,000,000	-	-
UTI-GILT ADVANTAGE FUND LTP DIVIDEND PLAN PAYOUT		217,055	3,000,000	-	-
UTI-GILT ADVANTAGE FUND LTP PF PLAN (DIVIDEND) PAYOUT		2,232,189	28,084,061	-	-
LOTUS INDIA LIQUID FUND-INSTITUTIONAL DAILY DIVIDEND		-	-	12,017,016	120,190,589
	Total		70,530,972		160,190,589
QUOTED OTHER INVESTMENTS					
Equity shares, fully paid-up:					
ADLABS FILMS LIMITED	5	4,500	5,860,020	4,500	5,860,020
ANSAL PROPERTIES AND INFRASTRUCTURE LIMITED	5	10,000	4,305,646	10,000	4,305,646
BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED	10	-	-	2,000	1,919,791
EMPEE DISTILLERIES LIMITED	10	2,500	952,940	2,500	952,940
GMR INFRASTRUCTURE LIMITED	2	9,950	1,655,595	9,950	1,655,595

**SCHEDULE OF INVESTMENTS FORMING PART OF SCHEDULE “D” TO THE ACCOUNTS**

Name of the Company	Face Value per Scrip Rupees	As at 31.03.2009		As at 31.03.2008	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
GUJARAT STATE FERTILISERS & CHEMICALS LIMITED	10	20,000	6,839,329	20,000	6,839,329
HBL POWER SYSTEMS LIMITED	10	945	427,825	945	427,825
HINDUSTAN CONSTRUCTION COMPANY LIMITED	1	9,000	1,235,346	9,000	1,666,539
IDEA CELLULAR LIMITED	10	500	54,527	-	-
IFCI LIMITED	10	-	-	35,000	1,779,129
JAIPRAKASH ASSOCIATES LIMITED	2	2,500	903,633	2,500	903,633
JET AIRWAYS INDIA LIMITED	10	2,000	2,006,929	2,000	2,006,929
J .K.CEMENT LIMITED	10	10,000	2,234,479	10,000	2,234,479
LANCO INFRATECH LIMITED	10	18,000	8,040,346	-	-
LARSEN AND TOUBRO LIMITED	2	14,980	15,789,467	2,500	8,545,326
MERCATOR LINES LIMITED	1	6,080	904,607	6,080	904,607
NIIT TECHNOLOGIES LIMITED	10	-	-	15,000	2,100,596
PATEL ENGINEERING LIMITED	1	4,500	4,588,256	4,500	4,588,256
PETRONET LNG LIMITED	10	-	-	24,000	1,644,826
POWER GRID CORPORATION OF INDIA LIMITED	10	17,000	1,871,185	42,000	4,622,927
RELIANCE CAPITAL LIMITED	10	3,000	8,371,337	3,000	8,371,337
RELIANCE COMMUNICATIONS LIMITED	5	12,980	10,619,870	12,980	10,619,870
RELIANCE PETROLEUM LIMITED	10	39,300	10,037,676	39,300	10,037,676
RELIANCE POWER LIMITED	10	47,752	11,781,833	29,845	11,781,833
RUCHI SOYA INDUSTRIES LIMITED	2	60,000	8,836,334	60,000	8,836,334
SESA GOA LIMITED (31.03.2008 Face value Rs.10)	1	280	45,846	14	54,732
SQL STAR INTERNATIONAL LIMITED	10	547,677	22,685,544	547,677	22,685,544
STERLITE INDUSTRIES LIMITED	2	9,500	8,895,433	9,500	8,895,433
TATA STEEL LIMITED	10	34,500	14,511,825	9,500	7,920,415
UNITECH LIMITED	2	209,975	50,005,002	85,000	44,049,610
UNITED BREWERIES HOLDINGS LIMITED	10	893	806,572	893	806,572
WOCKHARDT LIMITED	5	7,500	3,174,562	7,500	3,174,562
		Total	207,441,964		190,192,311

INDUSTRIAL INVESTMENT TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS



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

1. We have audited the attached Consolidated Balance Sheet of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company") and its subsidiaries ("the Group") as at 31st March, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. 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. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 72,813,324 as at 31st March, 2009, total revenues of Rs. 65,104,891 and total cash inflows of Rs. 37,098,664 for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Management in accordance with the requirements of Accounting Standard - 21 on Consolidated Financial Statements and Accounting Standard - 23 on Accounting for Investments in Associates in Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. *One of the subsidiary companies has recognised deferred tax asset of Rs.7,358,825 even though there are accumulated losses which is not in accordance with Accounting Standard - 22 on Accounting for Taxes on Income as notified under the Companies (Accounting Standards) Rules, 2006.*
6. Based on our audit and on consideration of the reports of the other auditors on separate financial statements of the subsidiaries referred to in paragraph 3 above and to the best of our information and according to the explanations given to us and *subject to our comments in paragraph 5 above*, we are of the opinion that the aforesaid 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 consolidated state of affairs of the Group as at 31st March, 2009;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

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

Mumbai: 27th June, 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
I. SOURCES OF FUNDS		
(1) SHAREHOLDERS' FUNDS		
(a) Share capital	"A" 100,000,000	100,000,000
(b) Reserves and surplus	"B" 666,765,565	589,695,045
	<u>766,765,565</u>	<u>689,695,045</u>
2) LOAN FUNDS		
Unsecured loan- short term loan from others	-	50,000,000
(3) MINORITY INTEREST	19,974,624	-
(4) DEFERRED TAX LIABILITY [See Note 5(i)]	1,557,624	-
Total	<u>788,297,813</u>	<u>739,695,045</u>
II. APPLICATION OF FUNDS		
(1) FIXED ASSETS "C"		
(a) Gross block	59,783,174	66,203,838
(b) Less: Depreciation	45,065,638	49,894,998
(c) Net block	<u>14,717,536</u>	<u>16,308,840</u>
(2) GOODWILL ON CONSOLIDATION	87,456,747	-
(3) INVESTMENTS	"D" 208,700,237	350,628,907
(4) DEFERRED TAX ASSET [See Note 5(i)]	7,302,176	-
(5) CURRENT ASSETS, LOANS AND ADVANCES "E"		
(a) Sundry debtors	124,955,727	68,890,040
(b) Cash and bank balances	199,407,925	87,676,865
(c) Other current assets	4,994,041	17,544,131
(d) Loans and advances	171,668,333	242,275,562
	<u>501,026,026</u>	<u>416,386,598</u>
Less: CURRENT LIABILITIES AND PROVISIONS "F"		
(a) Current liabilities	18,604,907	18,573,209
(b) Provisions	12,300,002	25,056,091
	<u>30,904,909</u>	<u>43,629,300</u>
NET CURRENT ASSETS	<u>470,121,117</u>	<u>372,757,298</u>
Total	<u>788,297,813</u>	<u>739,695,045</u>
NOTES TO THE ACCOUNTS "J"		

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

As per our report attached. For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

DR. B. SAMAL BIPIN AGARWAL
Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 27th June, 2009

Mumbai : 27th June, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
INCOME		
Dividend on long term investments - other than trade	6,729,530	1,842,849
Dividend on current investments	762,018	-
Interest	"G" 32,243,485	27,913,300
Rent on immovable property	13,665,840	13,665,840
Fees	91,361,620	227,453
Net profit on sale of long term investments	53,377,281	82,474,351
Profit on trading in equity shares and equity derivative instruments (net)	3,100,508	-
Net profit on sale of investments in associates	-	7,767,833
Net profit on sale of fixed assets	-	3,036,193
Provision for diminution in value of investments no longer required	-	68,800,814
Miscellaneous	523,977	509,249
Total	<u>201,764,259</u>	<u>206,237,882</u>
EXPENDITURE		
Personnel expenses	"H" 7,091,384	3,206,316
Operating and other expenses	"I" 21,035,963	11,750,699
Provision for diminution in the value of investments	69,506,406	-
Provision for doubtful deposits	-	1,245,000
Net loss on sale of long term investments	-	21,964,810
Loss on sale of subsidiary	-	500,000
Net loss on trading in equity shares and equity derivative instruments	-	487,518
Interest- other than on fixed loans	1,295,901	12,305,708
Depreciation on fixed assets	"C" 1,261,001	1,874,761
Depreciation on investment in immovable property	12,300	12,948
Total	<u>100,202,955</u>	<u>53,347,760</u>
PROFIT BEFORE TAXATION	<u>101,561,304</u>	<u>152,890,122</u>
Provision for taxation		
-Current tax [See Note 5(i)]	(16,813,300)	(26,730,000)
-Deferred tax	5,744,552	-
-Fringe benefit tax	(132,800)	(70,137)
-Income-tax adjustment for prior years	(847,615)	-
PROFIT AFTER TAXATION	<u>89,512,141</u>	<u>126,089,985</u>
Minority interest	375,541	-
Less: Pre acquisition profits for the year of a subsidiary	366,580	-
Add: Balance brought forward from last year	226,158,237	76,414,655
Add: Adjustments consequent to sale of subsidiary	-	86,052,597
AMOUNT AVAILABLE FOR APPROPRIATIONS	<u>314,928,257</u>	<u>288,557,237</u>
Less: Appropriations		
Transfer to special reserve	10,300,000	26,000,000
Proposed dividend	10,000,000	20,000,000
Tax on dividend	1,699,500	3,399,000
Transfer to general reserve	1,300,000	13,000,000
BALANCE CARRIED TO BALANCE SHEET	<u>291,628,757</u>	<u>226,158,237</u>
NOTES TO THE ACCOUNTS		
The schedules referred to above form an integral part of the Profit and Loss Account		
Basic and Diluted earnings per equity share (Rs.)	8.95	12.61
Nominal value per equity share (Rs.) (See Note 7)	10.00	10.00

As per our report attached.

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

DR. B. SAMAL BIPIN AGARWAL
Chairman Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : 27th June, 2009

Mumbai : 27th June, 2009

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	101,561,304	152,890,122		
Adjustments for:				
Depreciation	1,273,301	1,887,709		
Interest other than interest on investments	(32,243,485)	(27,913,300)		
Interest paid	1,295,901	12,305,708		
Dividend income	(762,018)	(746)		
Provision for doubtful deposits	-	1,245,000		
Provision for diminution in value of investments no longer requirement	-	(68,800,814)		
Provision for diminution in value of investments	69,506,406	-		
Net loss on sale of subsidiaries	-	500,000		
Net profit on sale of investments in associates	-	(7,767,833)		
Net profit on sale of long term investments	(53,377,281)	(60,509,541)		
Net loss / (profit) on sale of fixed assets	1,432,983	(3,036,193)		
Operating profit before working capital changes	88,687,111	800,112		
Increase / (decrease) in current liabilities	643,216	(19,591,037)		
Increase in provision for compensated absences	204,796	53,021		
Increase in sundry debtors	(56,065,687)	(26,372,010)		
Increase in advances and other current assets	(25,197,073)	(1,232,315)		
Other adjustments :				
Purchase of long term investments	(627,736,780)	(1,272,652,034)		
Sale of long term investments	753,524,025	1,692,126,224		
Sale of investments in associates	-	7,767,833		
Sale of investments in subsidiary	-	500,000		
Loans granted	(50,000,000)	(371,464,571)		
Repayment of loans granted	151,433,546	222,088,904		
Interest received other than interest on investments	44,862,295	10,369,169		
Interest paid	(1,295,901)	(12,305,708)		
Cash generated from operations	279,059,548	230,087,588		
Direct taxes paid (including fringe benefit tax)	(25,503,324)	(30,383,415)		
Net cash generated from operating activities	253,556,224	199,704,173		
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(1,192,371)	(9,315,600)		
Sale of fixed assets	97,830	11,871,666		
Dividend income	762,018	746		
Increase in minority interest	19,974,624	-		
Goodwill on acquisition of a subsidiary	(87,456,747)	-		
Net cash generated from / (used in) investing activities	(67,814,646)	2,556,812		
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	-	477,508,444		
Repayment of borrowings	(50,000,000)	(572,812,322)		
Proposed dividend	(20,611,518)	(19,657,732)		
Tax on proposed dividend	(3,399,000)	(3,399,000)		
Net cash used in financing activities	(74,010,518)	(118,360,610)		
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	111,731,060	83,900,375		
D. CASH AND CASH EQUIVALENTS				
As at the commencement of the year, as per Schedule E	87,676,865	3,776,490		
As at the end of the year, as per Schedule E	199,407,925	87,676,865		
NET INCREASE AS DISCLOSED ABOVE	111,731,060	83,900,375		
Notes:				
1. The cash flows relating to Investment activities of the Company are included under operating activities.				
2. Direct taxes paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.				
3. Previous year figures have been regrouped wherever necessary.				
As per our report attached.		For and on behalf of the Board of Directors		
For DELOITTE HASKINS & SELLS Chartered Accountants		DR. B. SAMAL BIPIN AGARWAL Chairman Director		
Z. F. BILLIMORIA Partner		CUMI A. BANERJEE CEO & Company Secretary		
Mumbai : 27th June, 2009		Mumbai : 27th June, 2009		

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.		As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "A"			SCHEDULE "B"		
SHARE CAPITAL			RESERVES AND SURPLUS		
Authorised:			Capital reserve:	(i)	
15,000,000 Equity shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>	Balance as per last balance sheet	750	51,005,084
Issued, subscribed and paid-up:			Less: Share of subsidiary sold	<u>-</u>	<u>51,004,334</u>
10,000,000 Equity shares of Rs.10 each	100,000,000	100,000,000		<u>750</u>	<u>750</u>
fully paid-up			Capital reserve on consolidation	(ii) style="text-align: right;">702,000	702,000
Total	<u><u>100,000,000</u></u>	<u><u>100,000,000</u></u>	General reserve:	(iii)	
			Balance as per last balance sheet	158,591,058	145,591,058
			Add: Transferred from profit and loss account	<u>1,300,000</u>	<u>13,000,000</u>
				<u><u>159,891,058</u></u>	<u><u>158,591,058</u></u>
			Share of holding company in the capitalised post acquisition earnings of subsidiaries:	(iv)	
			Balance as per last balance sheet	-	49,000,000
			Less: Share of subsidiaries sold	<u>-</u>	<u>49,000,000</u>
				<u>-</u>	<u>-</u>
			Special reserve (as per the RBI regulations):	(v)	
			Balance as per last balance sheet	204,243,000	178,243,000
			Add: Transferred from profit and loss account	<u>10,300,000</u>	<u>26,000,000</u>
				<u><u>214,543,000</u></u>	<u><u>204,243,000</u></u>
			Balance in Consolidated Profit and Loss Account	(vi) style="text-align: right;">291,628,757	226,158,237
			Total	<u><u>666,765,565</u></u>	<u><u>589,695,045</u></u>

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

ASSETS	COST				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1st April, 2008	Addition on acquisition of a subsidiary	Additions during the year	Deductions during the year	As at 1st April, 2008	Addition on acquisition of a subsidiary	For the year	On deductions during the year	As at 31st March, 2009	As at 31st March, 2008
TANGIBLE										
Buildings	9,100,000	-	-	-	4,662,158	-	221,892	-	4,884,050	4,437,842
Furniture, fixtures & office equipment	12,122,255	16,000	118,135	3,601,113	8,554,600	7,862	415,896	2,070,301	6,908,057	3,567,655
Motor cars	652,806	-	905,870	-	652,806	-	234,530	-	887,336	-
Computers	36,828,777	281,750	168,366	4,309,672	36,025,434	281,749	388,683	4,309,671	32,386,195	803,343
INTANGIBLE										
BSE Card	7,500,000	-	-	-	-	-	-	-	-	7,500,000
Total	66,203,838	297,750	1,192,371	7,910,785	49,894,998	289,611	1,261,001	6,379,972	45,065,638	14,717,536
Previous year	95,539,840	-	9,315,600	38,651,602	69,952,309	-	1,874,761	21,932,072	49,894,998	16,308,840

(Rs.)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE "D"				
INVESTMENTS :				
Long term (at or under cost)				
Other Investments				
Unquoted:				
Units of Mutual Fund, fully paid-up	70,530,972	160,190,589		
Quoted:				
Equity shares, fully paid-up	207,441,964	190,192,311		
Less: Provision for diminution in the value of investments	(69,506,406)	-		
	<u>137,935,558</u>	<u>190,192,311</u>		
(i)	<u>208,466,530</u>	<u>350,382,900</u>		
Immovable property				
Cost as per last balance sheet	1,069,071	1,069,071		
Less: Depreciation to-date	835,364	823,064		
(ii)	<u>233,707</u>	<u>246,007</u>		
Total (i)+(ii)	<u><u>208,700,237</u></u>	<u><u>350,628,907</u></u>		
Aggregate amount of quoted investments				
[Market value Rs.170,043,819; (as at 31st March, 2008: Rs. 123,528,182)]	137,935,558	190,192,311		
Aggregate amount of unquoted investments	70,530,972	160,190,589		
Immovable property	233,707	246,007		
Total	<u><u>208,700,237</u></u>	<u><u>350,628,907</u></u>		
SCHEDULE "E"				
CURRENT ASSETS, LOANS AND ADVANCES				
(a) Sundry debtors (unsecured, considered good):				
Outstanding for a period exceeding six months	12,670,176	24,858,122		
Others	112,285,551	44,031,918		
	<u>124,955,727</u>	<u>68,890,040</u>		
(b) Cash and bank balances:				
Cash on hand	26,902	22,118		
Cheques on hand	13,203,406	-		
With Scheduled banks:				
- On Current account	34,717,295	6,297,528		
- On Unpaid dividend account	2,704,217	3,315,063		
- On Fixed deposit account	148,756,105	78,042,156		
	<u>199,407,925</u>	<u>87,676,865</u>		
(c) Other current assets (considered good, unless otherwise stated):				
Investment income receivable	68,720	-		
Interest accrued on bank deposits	2,445,784	1,685,811		
Interest accrued on loans to others (considered doubtful: Rs. 151,315; as at 31st March, 2008: Rs. 151,315)	2,630,852	16,009,635		
	<u>5,145,356</u>	<u>17,695,446</u>		
Less: Provision for doubtful interest	(151,315)	(151,315)		
	<u>4,994,041</u>	<u>17,544,131</u>		
(d) Loans and advances (unsecured, considered good, unless otherwise stated):				
Loans to others [includes Rs. 100,000,000; as at 31st March, 2008: Rs.140,000,000 secured by way of pledge of shares] (considered doubtful: Rs.132,610,131; as at 31st March, 2008: Rs. 132,610,131)	232,610,131	334,043,677		
Less: Provision for doubtful loans	(132,610,131)	(132,610,131)		
	<u>100,000,000</u>	<u>201,433,546</u>		
Advances recoverable in cash or in kind or for value to be received	37,468,431	13,090,338		
Advance payment of income tax (net of provision)	34,199,902	27,751,678		
	<u>171,668,333</u>	<u>242,275,562</u>		
Total	<u><u>501,026,026</u></u>	<u><u>416,386,598</u></u>		
SCHEDULE "F"				
CURRENT LIABILITIES AND PROVISIONS				
(a) Current liabilities:				
Sundry creditors (no outstanding dues of micro enterprises and small enterprises)	1,009,921	458,809		
Rent received in advance	1,138,820	1,138,820		
Security deposits	13,659,845	13,659,845		
Other liabilities	92,104	-		
Investor Protection and Education Fund shall be credited by the following amounts when due:				
Unclaimed dividends	2,704,217	3,315,735		
	<u>18,604,907</u>	<u>18,573,209</u>		
(b) Provisions:				
Proposed dividend	10,000,000	20,000,000		
Tax on proposed dividend	1,699,500	3,399,000		
Compensated absences	349,256	144,460		
Provision for income tax (net of advance tax)	91,598	1,408,943		
Provision for fringe benefit tax (net of advance tax)	159,648	103,688		
	<u>12,300,002</u>	<u>25,056,091</u>		
Total	<u><u>30,904,909</u></u>	<u><u>43,629,300</u></u>		



SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
SCHEDULE "G"		
INTEREST :		
On deposits with banks	11,499,317	9,397,843
On loans	19,427,489	17,304,667
On income tax refund	837,007	221,562
Others	479,672	989,228
Total	32,243,485	27,913,300

SCHEDULE "H"

PERSONNEL EXPENSES

Salaries and bonus	6,552,805	2,749,124
Contribution to provident and other funds (See Note 8)	432,696	284,925
Staff welfare expenses	105,883	172,267
Total	7,091,384	3,206,316

SCHEDULE "I"

OPERATING AND OTHER EXPENSES

Rates and taxes	952,224	176,493
Rent	2,864,280	2,605,570
Travelling and conveyance	1,199,235	291,319
Insurance	22,522	24,377
Printing and stationery	298,070	202,683
Sub-contracting charges	900,000	-
Communication expenses	278,827	230,232
Electricity	686,353	682,171
Repairs and maintenance:		
- Buildings	1,450,827	2,638,474
- Computers	37,205	23,320
- Others	61,232	235,569
	1,549,264	2,897,363
Legal and professional fees	3,625,440	2,112,891
Directors' fees	626,500	303,000
Membership fees	206,407	127,927
Auditors' remuneration:		
- Audit fees	700,000	283,774
- Other services	729,000	494,104
- Out of pocket expenses	6,345	4,337
- Service tax	160,757	96,681
	1,596,102	878,896
Interest on Income tax	2,802,160	-
Advertisement	577,394	150,764
Preliminary expenses	197,287	-
Loss on sale of fixed assets(net)	1,432,983	-
Miscellaneous	1,220,915	1,067,013
Total	21,035,963	11,750,699

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "J"

NOTES TO THE ACCOUNTS

- (1) Basis of preparation:
- a) The Consolidated Financial Statements have been prepared on the following basis:
- The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra - group balances and intra - group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
 - The Company's investments in associates are accounted under the equity method and its share of pre-acquisition profits / losses is reflected as Capital Reserve / Goodwill in the carrying value of investments in accordance with Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
 - The financial statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2009.
 - The excess of cost to the Company, of its investment in the subsidiaries over the Company's portion of equity is recognised in the financial statements as Goodwill.
 - The excess of the Company's portion of equity of the subsidiaries on the acquisition date over its cost of investment is treated as Capital Reserve.
 - Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to minorities at the date on which investment in a subsidiary is made.
 - Net Profit for the year of the subsidiaries attributable to minorities is identified and adjusted against the Profit After Tax of the Group.
- b) The names of the Subsidiaries and the Associate Company which are included in the consolidation are as given below:

Name of the Company	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Extent of holding (%)	Period of holding	Extent of holding (%)	Period of holding
(A) Subsidiary Companies				
IIT Investrust Limited (IITIL)	99	Throughout the year	99	Throughout the year
IIT Insurance Broking and Risk Management Private Limited	100	Incorporated during the year w.e.f. 25.09.2008	-	-
Indo Green Projects Limited (IGPL)	70.47	See Note 5	-	-
IIT Corporate Services Limited	-	-	100	Upto 30.08.2007
(B) Associate Company				
Nu-Tech Corporate Services Limited	-	-	30.64	Upto 30.07.2007

All the subsidiaries and the associate company are incorporated in India.

SCHEDULE "J" (Contd..)

NOTES TO THE ACCOUNTS

(2) Significant Accounting Policies:

- (i) Basis of accounting:
"The Group adopts the accrual concept in the preparation of the accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates".
- (ii) Revenue recognition:
- Interest on all lending such as inter corporate deposits and finance against securities are accounted on accrual basis.
 - Dividend is accounted when the right to receive payment is established and known.
 - Income from consultancy or advisory services and real estate related activities are accounted as per the terms of contract with the customers.
 - 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.
- (iii) Fixed Assets:
Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.
- (iv) Depreciation:
- Depreciation on fixed assets and investment in immovable property is provided on the written down value method, except in respect of IITIL where depreciation is provided on straight line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.
 - Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.
- (v) Investments:
Long Term Investments are valued at or under cost unless there is a diminution in value, other than temporary for which provision is made.
- (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) Taxation:
"Tax expense comprises current, deferred and fringe benefit tax. Current tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date.
Deferred tax assets other than on carried forward losses and unabsorbed depreciation are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
Deferred tax asset on account of carried forward losses and unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised." Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal Income-tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.
- (viii) Provisions:
A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate

can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

- (ix) Impairment:
The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- (x) Employee Benefits:
- Short term employee benefits:
Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
 - Long term employee benefits:
- (i) Defined Contribution Plan:
The eligible employees of the Parent Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Parent Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Employees Provident Fund Organisation. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Parent Company has no further obligation beyond making the contribution. The Parent Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.
- (ii) Defined Benefit Plan:
- Gratuity
The Parent 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 Parent Company makes contribution to LIC of India based on an independent actuarial valuation made at the year-end. Actuarial gains and losses are recognised in the Profit and Loss Account.
 - Compensated absences
The Parent 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 Parent Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the profit and loss account.
- | | 31st March,
2009 | 31st March,
2008 |
|---|---|---------------------|
| | Rs. | Rs. |
| (3) (i) Contingent liabilities not provided for in respect of: | | |
| (a) Disputed income-tax matters on appeal | 24,806,121 | 25,919,770 |
| (b) Disputed wealth-tax matters on appeal | 3,250,246 | - |
| | In respect of above items, outflow of resources would depend upon the outcome of the appeal | |
| (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. | | |
| (4) The Company has acquired 70.17% stake in a subsidiary, namely, Indo Green Projects Limited on 4th August, 2008. Thereafter, the Company purchased further 0.30% in small lots before the year end, aggregating to 70.47% holdings as at 31st March, 2009. The excess of cost to the | | |



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

Company, of its investment in the subsidiary over the Company's portion of equity on the date of acquisition is recognised in the financial statements as Goodwill. Consequent to the acquisition of the said subsidiary, the consolidated net worth is higher by Rs. 66,484,906 and the consolidated profit is higher by Rs. 549,732.

(5) (i) Deferred taxes:

Particulars	As at 31st March, 2009		As at 31st March, 2008	
	Assets	Liabilities	Assets	Liabilities
(a) Depreciation	(35,392)	1,557,624	-	-
(b) Expenses U/s 35D	(21,257)	-	-	-
(c) Carry forward losses	7,358,825	-	-	-
Total	7,302,176	1,557,624	-	-

"The Parent Company has not recognised deferred tax assets on account of provision for compensated absences amounting to Rs. 90,790 due to absence of virtual certainty on account of carried forward business losses".

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

(6) Basic earnings per share has been calculated by dividing profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under

	Year Ended 31st March, 2009 Rs.	Year Ended 31st March, 2008 Rs.
(a) Numerator: Profit after tax (Rs.)	89,512,141	126,089,985
(b) Denominator: Weighted average number of equity shares	10,000,000	10,000,000
(c) Basic, as well as Diluted, earnings per equity share (in Rs.)	8.95	12.61

(7) Related party disclosures:

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

Associates Company:	Nu-Tech Corporate Services Limited (upto 30th July, 2007)
Key management personnel:	Holding Company Dr. B. Samal, Executive Director (w.e.f. 24th January, 2009) IITIL, a Subsidiary Company Sandeep Somani, Executive Director (upto 14th October, 2007) V. Ramesh, Executive Director Murugan Viswanathan, Executive Director (w.e.f. 16th October, 2008) B. C. Maheshwari, Executive Director (w.e.f. 16th October, 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) Systematix Fincorp India Limited (upto 4th March, 2008) N.N. Financial Services Private Limited NCJ International Limited (w.e.f. 5th August, 2008)
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(ii) Transactions with related parties:

Sr. No.	Nature of transactions	Associate companies	Key management personnel	Companies in which directors have significant influence
(I)	Volume of transactions:	Rs.	Rs.	Rs.
(i)	Loan Given			
	-SQL Star International Limited	-	-	-
		(-)	(-)	(80,000,000)
	-Systematix Fincorp India Limited	-	-	-
		(-)	(-)	(220,100,000)
(ii)	ICDs given			
	-Nu-tech Corporate Services Limited	-	-	-
		(745,000)	(-)	(-)
(iii)	Loans Taken			
	-N.N. Financial Services Private Limited	-	-	-
		(-)	(-)	(50,000,000)
(iv)	Refund of loans given			
	-SQL Star International Limited	-	-	-
		(-)	(-)	(75,000,000)
	-Systematix Fincorp India Limited	-	-	-
		(-)	(-)	(60,100,000)
(v)	Refund of loan taken			
	-SQL Star International Limited	-	-	-
		(-)	(-)	(5,000,000)
	-N.N. Financial Services Private Limited	-	-	-
		(-)	(-)	50,000,000
				(-)
(vi)	Interest income			
	-SQL Star International Limited	-	-	-
		(-)	(-)	(7,195,086)
	-Systematix Fincorp India Limited	-	-	-
		(-)	(-)	(2,913,271)
(vii)	Interest Expenses			
	-SQL Star International Limited	-	-	-
		(-)	(-)	(62,466)
	-N.N. Financial Services Private Limited	-	-	-
		(-)	(-)	1,295,901
				(120,219)
(viii)	Purchase of securities & derivative instruments			
	-Systematix Shares & Stocks (I) Limited	-	-	-
		(-)	(-)	(486,105,598)
(ix)	Sale of securities & derivative instruments			
	-Systematix Shares & Stocks (I) Limited	-	-	-
		(-)	(-)	(935,091,345)
(x)	Sub-contracting charges paid			
	- NCJ International Limited	-	-	-
		(-)	(-)	900,000
				(-)
(xi)	Remuneration			
	- Sandeep Somani	-	-	-
		(-)	(505,759)	(-)
	- V. Ramesh	-	164,880	-
		(-)	(193,740)	(-)
	- Murugan Viswanathan	-	689,516	-
		(-)	(-)	(-)
	- B. C. Maheshwari	-	137,903	-
		(-)	(-)	(-)
(II)	Payable as at year end			
	-N.N. Financial Services Private Limited	-	-	-
		(-)	(-)	(50,000,000)

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

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

(8) Employee Benefits

A. Defined Contribution Plan

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

	31st March, 2009 Rs.	31st March, 2008 Rs.
Employer's contribution to Regional Provident Fund Commissioner	255,511	167,396
Employer's contribution to Family Pension Fund	62,088	43,280

B. Defined Benefit Plan

Gratuity Plan by the Parent Company:

	Gratuity (funded)	
	31st March, 2009 Rs.	31st March, 2008 Rs.
i. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as at the beginning of the year	146,473	72,224
Interest Cost	10,253	5,778
Current Service Cost	86,318	53,872
Benefits paid	-	-
Net Actuarial Loss	58,345	14,599
Present value of Defined Benefit Obligation as at the end of the year	301,389	146,473
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	525,128	490,010
Expected return on Plan Assets	39,836	35,118

	Gratuity (funded)	
	31st March, 2009 Rs.	31st March, 2008 Rs.
Net Actuarial Gain / (Loss)	-	-
Employer's Contribution	-	-
Benefits paid	-	-
Fair value of Plan Assets as at the end of the year	564,964	525,128

The Parent Company expects to contribute Rs. 115,000 to its Defined Benefit Gratuity plan during the annual period beginning after the balance sheet date.

The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:

Funds maintained with Life Insurance Corporation of India	100%	100%
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Note: The Parent Company is unable to obtain the details of major category of plan assets from the insurance company (Life Insurance Corporation of India) and hence the disclosure thereof is not made.

iii. Net assets / (liabilities) recognised in the Balance Sheet

Present value of Defined Benefit Obligation	(301,389)	(146,473)
Fair value of Plan Assets	564,964	525,128
Net assets recognised in the Balance Sheet	263,575	378,655

Gratuity (funded)

	31st March, 2009 Rs.	31st March, 2008 Rs.
--	-------------------------------------	----------------------------

iv. Components of Employer's Expenses

Current Service Cost	86,318	53,872
Interest Cost	10,253	5,778
Expected on Plan Assets	(39,836)	-
Net Actuarial Loss	58,345	14,599
Total expense recognised in the Profit and Loss Account in Schedule "H" under:	115,080	74,249

Contribution to provident and other funds

Actual return on Plan Assets	39,836	35,118
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v. Actuarial Assumptions

	LIC (1994-96) (Ultimate)	
Mortality Table		
Discount rate	7%	8%
Expected rate of return on Plan Assets	7.6%	9.8%
Salary escalation	5%	5%

vi a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.

c. Expected rate of return on assets is determined based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

vii The above information is as certified by the actuary and relied upon by the auditors.

viii Net assets / (liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustment:

Gratuity (funded)

	31st March, 2009 Rs.	31st March, 2008 Rs.
--	-------------------------------------	----------------------------

1. Present Value of Defined Benefit Obligation	301,389	146,473
2. Fair Value of Plan Assets	564,964	525,128
3. Funded Status [Surplus]	263,575	378,655
4. Net Asset	263,575	378,655
5. Experience adjustment arising on:		
a. Plan Liabilities [Loss]	58,345	14,599
b. Plan Assets [Loss]	3,060	6,435

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



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

(9) Segment information:
Primary segments - Business segments

Rs.

	2008-2009						2007-2008				
	Investment activities (Note below)	Consultancy Services	Brokerage Services	Other Services	Eliminations	Total	Investment activities (Note below)	Brokerage Services	Other Services	Eliminations	Total
A. REVENUE											
1. External Revenue	102,493,679	90,196,620	3,019,047	3,113,099	-	198,822,445	213,080,656	52,030,762	263,833	-	265,375,251
2. Inter-segment revenue	45,612,027	25,312,500	-	-	70,924,527	-	-	-	-	-	-
3a. Interest income (unallocated)	-	-	-	-	-	2,094,335	-	-	-	-	72
3b. Unallocated income	-	-	-	-	-	847,479	-	-	-	-	746
3c. Total 3a+3b	-	-	-	-	-	2,941,814	-	-	-	-	818
Total revenue	148,105,706	115,509,120	3,019,047	3,113,099	70,924,527	201,764,259	213,080,656	52,030,762	263,833	-	265,376,069
B. RESULTS											
1. Segment result	22,190,645	90,196,620	2,353,517	(1,142,547)	-	113,598,235	102,683,136	50,753,345	(547,177)	-	152,889,304
2. Unallocated expenses	-	-	-	-	-	14,978,744	-	-	-	-	-
3. Interest expense	-	-	-	-	-	-	-	-	-	-	-
4. Income (referred in A 3c above)	-	-	-	-	-	2,941,814	-	-	-	-	818
5. Profit before tax	-	-	-	-	-	101,561,305	-	-	-	-	152,890,122
6. Provision for taxation	-	-	-	-	-	(12,049,163)	-	-	-	-	(26,800,137)
Profit after tax (before adjusting minority interest)	-	-	-	-	-	89,512,142	-	-	-	-	126,089,985
C. OTHER INFORMATION											
1. Segment assets	678,729,276	13,203,406	26,707,339	69,697,471	138,926,834	649,410,658	725,162,800	30,409,867	-	-	755,572,667
2. Goodwill on consolidation	-	-	-	-	-	87,456,747	-	-	-	-	-
3. Investments	-	-	-	-	-	-	-	-	-	-	-
4. Deferred tax asset	-	-	-	-	-	7,302,176	-	-	-	-	-
5. Advance payment of income-tax (net of provisions)	-	-	-	-	-	34,199,902	-	-	-	-	36,880,275
6. Miscellaneous expenditure (to the extent not written off)	-	-	-	-	-	-	-	-	-	-	-
7. Unallocated assets	-	-	-	-	-	40,833,239	-	-	-	-	-
8. Total assets	678,729,276	13,203,406	26,707,339	69,697,471	138,926,834	819,202,722	725,162,800	30,409,867	-	-	792,452,942
9. Segment liabilities	15,545,320	-	-	510,679	-	16,055,999	90,630,011	10,615,812	-	-	101,245,823
10. Share capital and reserves	-	-	-	-	-	766,765,565	-	-	-	-	689,695,045
11. Minority Interest	-	-	-	-	-	19,974,624	-	-	-	-	-
12. Deferred tax liability	-	-	-	-	-	1,557,624	-	-	-	-	-
13. Provision for income-tax/ fringe benefit tax (net of advance)	-	-	-	-	-	251,246	-	-	-	-	1,512,074

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

	2008-2009						2007-2008				
	Investment activities (Note below)	Consultancy Services	Brokerage Services	Other Services	Eliminations	Total	Investment activities (Note below)	Brokerage Services	Other Services	Eliminations	Total
14. Unallocated liabilities						14,597,664					-
15. Total liabilities	15,545,320	-	-	510,679	-	819,202,722	90,630,011	10,615,812	-	-	792,452,942
Cost incurred during the period to acquire											
16. Segment assets	1,009,255	-	-	183,116	-	1,192,371	1,815,600	-	-	-	1,815,600
17. Depreciation	966,335	-	237,945	69,021	-	1,273,301	970,250	271,424	646,035	-	1,887,709
18. Non-cash expenditure other than depreciation											
-											
Provision for diminution in value of investments	69,506,406	-	-	-	-	69,506,406	-	-	-	-	-

The company caters to the need of domestic market and hence there are no reportable geographical segments.

Note: Segment revenue includes interest/dividend on investments and segment assets includes investments as the operations of the segment are primarily of a financial nature.

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

Signatures to Schedule "A" to "J"

For and on behalf of the Board of Directors

CUMI A. BANERJEE
CEO & Company Secretary

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

Mumbai : 27th June, 2009



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

1) Name of the Subsidiary Companies	IIT Investrust Limited	IIT Insurance Broking and Risk Management Private limited	Indo Green Projects limited
2) The financial year of the Subsidiary Companies ended on	31 March 2009	31 March 2009	31 March 2009
3) a) Number of shares held by Industrial Investment Trust Limited in the subsidiaries as at the end of financial year of the subsidiaries companies	12,375,000.00	500,000.00	3516910.00
b) Extent of interest of Industrial Investment Trust Limited in the capital of Subsidiaries Companies as at the end of the financial year of the subsidiaries companies	99.00	100.00	70.47
4) The net aggregate amount, so far as it Concerns members of Industrial Investment Trust Limited and is not dealt in the Company's accounts, of the subsidiary's profit /(losses) after deducting losses			
a) for the subsidiary financial year 'ending 31st March, 2009	843.87	(6.41)	7.82
b) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	(1,712.83)	Nil	Nil
5) The net aggregate amount of the profits of the subsidiary after deducting losses so far as those, profits are dealt with in the books of accounts of Industrial Investment Trust Limited's accounts			
a) for the subsidiary financial year ending 31st March, 2009	Nil	Nil	Nil
b) for the subsidiary previous financial years since it became subsidiary of Industrial Investment Trust Limited	9.93	Nil	Nil

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai : June 27, 2009

	GROUP FINANCIAL HIGHLIGHTS : A TEN YEAR REVIEW										(Rs. in Lacs)
	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	
Dividend & Interest	67.30	18.42	67.59	99.77	149.53	255.93	182.01	146.45	123.96	159.70	
Lease/Hire Purchase Income	0.00	0.00	0.00	-	0.16	4.32	5.00	5.83	26.93	35.84	
Service charges	281.25	0.00	1.15	1.03	34.77	110.31	218.63	332.35	580.23	921.30	
Finance & Commitment charges	296.15	279.13	58.72	21.80	5.51	5.92	27.82	63.26	53.57	183.29	
Net profit on sale of Investments	533.77	(219.65)	(518.12)	7,115.34	1,952.51	487.76	415.68	334.92	363.49	1138.25	
Other Income	592.88	1643.82	268.86	125.30	154.67	179.48	776.29	172.84	250.28	236.03	
Total Income	1,771.35	1,721.72	(121.79)	7,363.24	2,297.15	1043.72	1625.43	1055.65	1398.46	2674.41	
Management expenses & Interest	1166.68	265.79	1458.99	974.81	3,350.14	1020.40	1683.37	911.43	1527.84	2021.46	
Depreciation	9.84	9.70	40.23	27.39	34.00	57.89	63.75	92.20	100.46	114.36	
Profit/(Loss) before tax	594.83	1,446.23	(1,621.01)	6,361.04	(1,086.99)	(34.57)	(121.69)	52.02	(229.84)	538.59	
Profit/(Loss) after tax	506.77	1283.53	(1623.11)	6,082.84	(1,089.91)	(61.96)	(121.42)	78.03	(241.87)	438.61	
Shareholders' funds	7032.71	6592.93	4869.89	6,727.00	872.20	1962.57	2221.94	2540.79	2531.12	2624.21	
Investments	3476.27	3506.29	6408.11	10,230.20	680.20	1308.40	1719.81	2489.68	2423.34	2385.85	
Dividend % (recommended/paid by Industrial Investment Trust Ltd.)	10.00	20.00	20.00	20.00	-	17.50	17.50	20	20	20	

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

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



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IIT INVESTRUST LIMITED

BOARD OF DIRECTORS : Dr. B. SAMAL <i>Chairman</i>	BANKERS : Canara Bank Axis Bank	
BIPIN AGARWAL SWARAN SINGH	AUDITORS : M/s G.N. Joshi Associates	
T. M. NAGARAJAN R. K. MITTAL	REGISTERED OFFICE : 14E, Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Mumbai 400 001.	
MURUGAN VISWANATHAN <i>Whole-Time Director</i>		
B.C. MAHESHWARI <i>Whole-Time Director</i>		

DIRECTORS' REPORT

To
The Members,
Your Directors are pleased to present the Sixteenth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

	Current Year Rupees in lakhs	Previous Year Rupees in lakhs
Total Income	905.23	520.31
Profit before depreciation	873.33	510.25
Less: Depreciation	2.38	2.71
Profit before tax	870.95	507.54
Less: Provision for tax	27.08	105.31
Profit After Tax	843.87	402.23
Add: Balance of P & L A/c brought forward from last year	(1956.99)	(2359.22)
Balance carried forward to Balance Sheet	(1113.12)	(1956.99)

OPERATING RESULTS

During the year under review, your Company has earned a Profit after Tax of Rs.843.87 lakhs as compared to Rs.402.23 lakhs in the previous year.

BUSINESS REVIEW

During the period under review, the Company has commenced the activity of providing Advisory and Consultancy Services to various Body Corporates. The Company has obtained the ARN code from Association of Mutual Funds in India (AMFI) and has been empanelled with 32 Mutual Funds

The Company is in the process of re-activating Stock Broking business and is making due compliances with BSE and SEBI. The Company has also planned to undertake related activities like Commodity Broking, dealing in Equity derivative products, Commodity derivative products, Depository Participant business, etc.

DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2009 in view of carried forward losses.

CAPITAL STRUCTURE

The Authorised Share Capital of the Company has been increased from Rs.12,50,00,000/- (Rupees Twelve Crores Fifty lakhs only) to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) by creation of additional 1,25,00,000 equity shares of Rs.10/- each on November 4, 2008.

DIRECTORS

As per Rule 4(C) of the SEBI (Stock Brokers and Sub Brokers) Rules, 1992, the Board of Directors have appointed Mr. Murugan Viswanathan and Mr. B.C. Maheshwari as Additional and Whole-time / Designated Directors of the Company for a period of three years with effect from October 16, 2008. In the Extraordinary General Meeting of the Company held on November 4, 2008, the members have accorded their approval for appointment of Mr. Murugan Viswanathan and Mr. B.C. Maheshwari as Whole-time Directors. The Company has also obtained the necessary approval from BSE and SEBI. However, the approval from Central Government for their appointment and remuneration payable to them is still awaited.

The Board has appointed, Mr. R.K. Mittal as Additional Director of the Company with effect from June 27, 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. Mr. R.K. Mittal holds office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. R.K. Mittal as Director of the Company. A notice has been received from the member pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director.

In accordance with the provisions of the Companies Act, 1956, Mr. Bipin Agarwal and Mr. Swaran Singh, Directors are due to retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. Voona Ramesh has resigned as Whole-Time Director from the Company with effect from May 5, 2009. During his tenure, he has immensely contributed to the performance of the Company.

**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, 2009;
- (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.

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 is in the process of re-activating the Stock Broking activity. The Company does not have substantial operations which necessitates an internal audit system.

AUDITORS

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

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.

PARTICULARS OF EMPLOYEES

There are no Employees coming under the purview of Section 217 (2A) of the Companies Act, 1956 and therefore such information has not been disclosed.

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

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 27, 2009

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, 2009, 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. *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, 2009 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, **subject to Note No.3(a) regarding non-confirmation of balances and recognition of Deferred Tax assets of Rs. 7,302,176 as per Note No. 3 of of schedule and other notes on accounts**, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (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
(PROPRIETOR)

MEMBERSHIP NO : 2373

Mumbai : June 27, 2009

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) As explained to us, 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, 2009, Rs.54,318,408 (Previous Year Rs.99,930,435/-). Maximum outstanding during the year Rs.99,930,435/- (Previous Year Rs. 14,08,70,620/). 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 dues 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
(PROPRIETOR)

MEMBERSHIP NO : 2373

Mumbai : June 27, 2009

BALANCE SHEET AS AT 31 st MARCH, 2009

	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 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		54,318,408	99,930,435
		<u>54,318,408</u>	<u>99,930,435</u>
Total		<u>180,488,408</u>	<u>226,100,435</u>
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross Block	"C"	9,969,116	17,582,151
(b) Less : Depreciation		1,761,359	7,613,467
(c) Net Block		8,207,757	9,968,684
(2) DEFERRED TAX ASSETS		7,302,176	-
(3) CURRENT ASSETS, LOANS & ADVANCES			
(a) Sundry Debtors	"D"	17,675,174	18,461,716
(b) Cash & Bank Balances	"E"	33,362,417	447,376
(c) Loans and Advances	"F"	22,809,080	12,139,631
		73,846,671	31,048,723
Less : CURRENT LIABILITIES & PROVISIONS	"G"		
(a) Current Liabilities		139,300	22,472
(b) Provisions		20,603,340	10,593,340
		20,742,640	10,615,812
NET CURRENT ASSETS		53,104,031	20,432,911
(4) MISCELLANEOUS EXPENSES (To the extent not written off)		562,864	-
(5) PROFIT & LOSS ACCOUNT (Debit Balance)		111,311,580	195,698,840
Total		<u>180,488,408</u>	<u>226,100,435</u>

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered Accountants

Dr. B. Samal
Chairman

G.N. Joshi
Proprietor
Membership No. 2373

Mumbai: June 27, 2009

Bipin Agarwal
Director

Mumbai: June 27, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

Schedule	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
INCOME STATEMENT		
Profit on sale of Investment	382	51,990,000
Profit on Future and Option	2,506,264	-
Service Charges	87,384,120	-
Brokerage On Mutual Fund	469,313	-
Other Income	"H" 163,257	41,009
Total	<u>90,523,336</u>	<u>52,031,009</u>
EXPENDITURE		
Establishment expenses	"I" 1,757,324	1,005,993
Loss on sale of Fixed assets	1,432,983	-
Depreciation	"C" 237,945	271,424
Total	<u>3,428,252</u>	<u>1,277,417</u>
PROFIT/(LOSS) DURING THE YEAR	87,095,084	50,753,592
Provision for Taxation		
- Current tax	(10,000,000)	(10,530,000)
- Deferred tax	7,302,176	-
- Fringe Benefit tax	(10,000)	(137)
Profit after tax	84,387,260	40,223,455
Balance brought forward from last year	(195,698,840)	(235,922,295)
BALANCE CARRIED TO BALANCE SHEET	<u>(111,311,580)</u>	<u>(195,698,840)</u>

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered Accountants

Dr. B. Samal
Chairman

G.N. Joshi
Proprietor
Membership No. 2373

Mumbai: June 27, 2009

Bipin Agarwal
Director

Mumbai: June 27, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended 31-03-2009 Rupees	Year ended 31-03-2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	87,095,084	50,753,592
Adjustments for:		
Depreciation	237,945	271,424
Interest other than interest on investments	(120,169)	(72)
Loss on sale of Fixed assets	1,432,983	-
Profit on sale of investment	(382)	(51,990,000)
Operating Loss before working capital changes and other adjustments	88,645,461	(965,056)
Working capital changes		
Increase/(Decrease) in Current Liabilities & Leave salary	116,828	(1,520)
Decrease in Sundry Debtors	786,542	892,555
Increase in Advances and other Current Assets	(74)	(72)
Other adjustments :		
Interest received other than interest on investments	120,169	72
Cash generated from operations	89,668,926	(74,021)
Direct taxes paid	(10,669,375)	(10,600,137)
Net cash outflow from operating activities	<u>78,999,551</u>	<u>(10,674,158)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	382	52,000,000
Sale of Fixed assets	90,000	-
Expenditure for increase in capital	(562,864)	-
Net cash inflow from investing activities	<u>(472,482)</u>	<u>52,000,000</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	11,370,000
Repayment of borrowings	(45,612,028)	(52,310,185)
Net cash inflow from financing activities	<u>(45,612,028)</u>	<u>(40,940,185)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u><u>32,915,041</u></u>	<u><u>385,657</u></u>
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year	447,376	61,719
As at the end of the year	33,362,417	447,376
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	<u><u>32,915,041</u></u>	<u><u>385,657</u></u>

As per our report attached to the Balance Sheet

For G. N. JOSHI ASSOCIATES
Chartered AccountantsDr. B. Samal
ChairmanG.N.Joshi
Proprietor
Membership No. 2373Bipin Agarwal
Director

Mumbai: June 27, 2009

Mumbai: June 27, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees		As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE "A"			SCHEDULE "B"		
SHARE CAPITAL			RESERVES & SURPLUS		
Authorised :			General Reserve		
250,00,000 shares of Rs.10/- each	250,00,000	125,00,000		1,170,000	1,170,000
(P.Y 125,00,000 shares of Rs. 10 each)			Total	1,170,000	1,170,000
Issued, subscribed & paid up :					
125,00,000 Equity Shares of Rs.10/- each fully paid up (of the above 123,75,000 shares of Rs.10/- each are held by Industrial Investment Trust Ltd., the holding company.)	125,00,000	125,00,000			
Total	125,00,000	125,00,000			

Schedule "C"

FIXED ASSETS

PARTICULARS	Cost				Depreciation				Net Block	
	Opening Balance	Additions during 2008-2009	Deduction/ during 2008-2009	As at 31.03.2009 (A+B-C)	Opening Balance	For the Year	Deduction/ Adjustment during 2008-2009	As at 31.03.2009 (E+F-G)	As at 31.03.2009	As at 31.03.2008
	A	B	C	D	E	F	G	H	I	
BSE Card	7,500,000	-	-	7,500,000	-	-	-	-	7,500,000	7,500,000
Furniture	953,150	-	953,150	-	442,449	49,424	491,873	-	-	510,701
Office Equipments	4,448,273	-	2,631,963	1,816,310	2,490,290	188,521	1,570,258	1,108,553	707,757	1,957,983
Off. Vehicles	652,806	-	-	652,806	652,806	-	-	652,806	-	-
Computers	4,027,922	-	4,027,922	-	4,027,922	-	4,027,922	-	-	-
Total	17,582,151	-	7,613,035	9,969,116	7,613,467	237,945	6,090,053	1,761,359	8,207,757	9,968,684
Previous Year	10,082,151	-	7,500,000	17,582,151	7,342,043	271,424	-	7,613,467	9,968,684	2,740,108

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2009**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE "D"		
SUNDRY DEBTORS (unsecured, considered good)		
Outstanding for a period exceeding six months	12,670,176	18,461,716
Outstanding for a period less than six months	5,004,998	-
	<u>17,675,174</u>	<u>18,461,716</u>
SCHEDULE "E"		
CASH & BANK BALANCES		
Cash in hand	5,065	5,316
Cheques On hand	13,203,406	-
Balance with Scheduled Banks: on current accounts	20,153,946	442,060
	<u>33,362,417</u>	<u>447,376</u>
SCHEDULE "F"		
LOANS AND ADVANCES (Unsecured, considered good):		
Loans, Advances recoverable in cash or kind or for value to be received	2,165	2,091
Sundry Deposits	1,530,000	1,530,000
Advance tax	21,276,915	10,607,540
	<u>22,809,080</u>	<u>12,139,631</u>
SCHEDULE "G"		
CURRENT LIABILITIES		
Other Liabilities	139,300	22,472
	<u>139,300</u>	<u>22,472</u>
PROVISIONS		
Provision For Leave Encashment & Gratuity	55,243	55,243
Provision for taxation	20,548,097	10,538,097
	<u>20,603,340</u>	<u>10,593,340</u>

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Period ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
SCHEDULE "H"		
OTHER INCOME		
Interest income	120,169	72
Dividend income	42,761	175
Miscellaneous income	327	40,762
	<u>163,257</u>	<u>41,009</u>
SCHEDULE "I"		
ESTABLISHMENT EXPENSES		
(1) Payments and provisions to employees		
Salaries & Bonus	1,056,603	652,734
Contribution to Provident and other funds	16,932	59,031
Staff Welfare Expenses	912	-
	<u>1,074,447</u>	<u>711,765</u>
(2) Other expenses		
Printing and Stationary	7,238	30
Travelling & Conveyance	23,843	1,860
Legal & Professional Charges	342,131	86,630
Membership & Subsc, Books & Periodicals	42,798	10,000
Rates & Taxes	2,600	-
Operation expenses	19,803	21,266
Office expenses	-	125,000
Bank charges	3,988	-
Auditors remuneration:		
Audit fees	82,725	26,712
Tax Audit Fees	27,575	-
Other services	1,180	2,472
Miscellaneous exp. written off	62,540	-
Miscellaneous expenses	66,456	20,258
	<u>682,877</u>	<u>294,228</u>
Total	<u>1,757,324</u>	<u>1,005,993</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 Contact 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 -

- A. Retirement benefit in the form of Provident Fund / Family Pension Fund and Superannuation Fund. Which are defined contribution plans are accounted on accrual basis and charged to Profit & Loss Account of the Year.
- B. Liabilities on Account of retirement benefit in the form of Gratuity and Leave encashment, which are defined benefit plan are determined through accrual valuation.

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. Amounts due to Small Scale Industries and Medium Size Micro Industries are not identified and have not reported.
3. 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.
- 3A. The balance of debtors Rs.1,26,70,176 , loans and advances Rs.4,55,000 subject to confirmation and reconciliation if any.
4. Income taxes are computed using tax effect accounting method in accordance with the Accounting Standards- AS – 22 "Accounting for taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of current year timing difference Taxable Income and Accounting Incomes for the year end reversal of timing difference of earlier years.

The Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liabilities

are settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted to set off against the deferred taxes. The Deferred tax is recognised for the first time. The working is as follows:

	As on 31.03.2009	
Fixed Assets(WDV)	35,392	(Deferred tax Liability)
Expenses u/s 35D	21,257	(Deferred tax Liability)
Carry Forward Losses	73,58,825	(Deferred Tax Assets)
	73,02,176	(Deferred Tax Assets)

5. During the year the company has increased the authorized Capital to Rs. 25 crores and is subject to approval of SEBI
6. Considering the nature of business no separate information for segment disclosure required.
7. Computation of Remuneration to Directors

	31-3-2009	31-3-2008
	Rupees	Rupees
Salary	9,92,299	699,499
Gratuity	-	-
Other Perquisites	-	-
Directors' Sitting Fees	-	-
	9,92,299	699,499

The accounts include managerial remuneration for Directors under Section 198 of the Companies Act,1956 amounting to Rs 9,92,299/-, the working is as follows,

Profit as per Section 198 of the Companies Act, 1956 for the year 2008-09:

Profit/(Loss) before tax as per Profit/Loss Account	87,095,084
Add:	
Depreciation as per books	2,37,945
Managerial Remuneration	9,92,299
Loss on sale of assets	14,32,983
	(A) 89,758,311
Less:	
Profit on sale of Investment	382
Depreciation as per section 350 of the Companies Act,1956	2,37,945
	(B) 2,38,327
Profit /(Loss) As per Section 198 of Companies Act ,1956	89,519,984

8. Related party disclosures. – As per Annexure – 1
9. EARNING PER SHARE (EPS)

	2008-2009	2007-2008
a) Net Profit after Tax available for Equity Shareholders (Rs.)	843,87,260	402,23,455
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)	6.75	3.22
10. 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

Dr. B Samal
Chairman

G.N.Joshi
Proprietor
Membership No. 2373

Bipin Agarwal
Director

Mumbai: June 27, 2009

Mumbai: June 27, 2009

**Annexure-1 to Schedule J****RELATED PARTY DISCLOSURES**

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

Holding company	: <i>Industrial Investment Trust Limited</i>
Fellow Subsidiary	: IIT Corporate Services Limited (upto 31/08/2007) IIT Insurance Broking and Risk Management Pvt. Limited (From 25/09/2008) Indo-Green Projects Limited (from 04/08/2008)
Key Management Personnel	: <i>Sandeep Somani, (upto 14/10/2007) , V Ramesh, Murugan Viswanathan (from 16/10/2008) & B C Maheshwari (From 16/10/2008) Executive Directors</i>
Companies in which directors have significant influence	: N.N Financial Services Pvt. 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 31.03.2009	Outstanding due to As on 31.03.2009	Outstanding due from As on 31.03.2009
Holding Company:				
Industrial investment Trust limited	1. Loan received	- (1,13,70,000)	5,43,18,408 (9,99,30,435)	- (-)
	2. Refund of Loan	4,56,12,027 (5,23,10,185)	- (-)	- (-)
	3. Service Charges Received(including S.T.)	2,71,47,960 (-)	- (-)	- (-)
Key Management Personnel:				
Sandeep Somani	Remuneration	- (5,05,759)	- (-)	- (-)
V Ramesh		1,64,880 (1,93,740)	- (-)	- (-)
Murugan Viswanathan		6,89,516 (-)	- (-)	- (-)
B C Maheshwari		137,903 (-)	- (-)	- (-)

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

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	9	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										

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

Source of Funds:	Total Liabilities	1	8	0	4	8	8	Total Assets	1	8	0	4	8	8								
	Paid up Capital	1	2	5	0	0	0	Reserves & Surplus					1	1	7	0						
Application of Funds:	Secured Loans							N	I	L	Unsecured Loans											
	Net Fixed Assets					8	2	0	8	Investments												
	Net Current Assets					5	3	1	0	5	Misc. Expenditure											
	Accumulated Losses					1	1	1	3	1	0	Deferred Tax										

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

Turnover (including other income)	9	0	5	2	3	Total Expenditure	3	4	2	8	
Profit(+)/Loss(-) Before Tax	8	7	0	9	5	Profit(+)/Loss(-) After Tax	8	4	3	8	7
Earnings per share in Rs.	6	.	7	5	Dividend (%)						

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

**IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED**

BOARD OF DIRECTORS:	R.N. BHARDWAJ <i>Chairman</i>	BANKERS	: Axis Bank
	BIPIN AGARWAL	AUDITORS	: M/s Desai & Kinare
	SWARAN SINGH		
	T. M. NAGARAJAN	REGISTERED OFFICE :	Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001.
	R.S. LOONA		

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the First Annual Report of the Company, together with the Audited Statement of Accounts for the period ended March 31, 2009.

OVERVIEW

The Company was incorporated on September 25, 2008. The first accounting period of the Company is from September 25, 2008 to March 31, 2009 and hence there are no corresponding figures of the previous year.

Your Company has submitted an application to Insurance Regulatory and Development Authority (IRDA) for grant of License for Insurance (Direct Broking) and is awaiting the same.

INCREASE IN AUTHORISED SHARE CAPITAL

In order to facilitate the issue of share capital in future, the Authorized Share Capital of the Company is being increased from Rs. 1,00,00,000/- to Rs. 5,00,00,000/- by creation of 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

DIRECTORS

Mr. Bipin Agarwal, Mr. Swaran Singh, Dr. B. Samal and Mr. T.M. Nagarajan were the First Directors of the Company. Dr. B. Samal resigned as the Director of the Company with effect from October 16, 2008.

As per the relevant provisions of the Companies Act, 1956, Mr. Bipin Agarwal, retires by rotation and being eligible, offers himself for re-appointment, which your Directors consider to be in the interests of the Company and therefore commend it for your approval.

Mr. R.N. Bhardwaj and Mr. R.S. Loona have been appointed by the Board as Additional Directors of the Company with effect from November 4, 2008 and January 24, 2009 respectively. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R.N. Bhardwaj and Mr. R.S. Loona holds office upto the date of the ensuing Annual General Meeting of the Company.

It is proposed to appoint Mr. R.N. Bhardwaj and Mr. R.S. Loona as Directors of the Company. Notices have 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 period ended March 31, 2009;

- 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.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and The Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from M/s Chandanbala Jain & Associates, Practicing Company Secretaries, confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

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 period which are self-explanatory and hence do not require any further explanations.

AUDITORS

The Auditors of the Company, M/s. Desai & Kinare retire and are eligible for re-election. The members are requested to appoint Auditors and to fix their remuneration.

PARTICULARS OF EMPLOYEES

There are no Employees coming under the purview of Section 217(2A) of the Companies Act, 1956 and therefore such information has not been disclosed.

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

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

R.N. Bhardwaj
Chairman

Mumbai:

Date : June 27, 2009

SECRETARIAL COMPLIANCE CERTIFICATE

For the period ended March 31, 2009

CIN of the Company : **U67190MH2008PTC187076**

Authorised Capital : **Rs.1,00,00,000/-**

Paid up Capital : **Rs.50,00,000/-**

To,
The Members,

IIT Insurance Broking and Risk Management Private Limited
Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg, Fort,
Mumbai 400 001.

We have examined the registers, records, books and papers of IIT Insurance Broking and Risk Management Private Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Companies Act, 1956 (The Act), read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial period from September 25, 2008 to March 31, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial period:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been recorded.
2. The company has filed the forms as stated in **Annexure 'B'** to this Certificate with the Registrar of Companies during the financial period under consideration. There is no form or return required to be filed with The Regional Director, Central Government, Company Law Board or any other authorities as applicable under the Act and the rules made thereunder.
3. The company being a private company, subsidiary of a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 4 (Four) times on October 16, 2008, November 4, 2008, December 5, 2008 and January 24, 2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the financial period, as there being no statutory requirement to close the same.
6. Since the Company was incorporated on September 25, 2008 there was no requirement to hold any Annual General Meeting during the said period.
7. No Extraordinary General Meeting was held during the said period.
8. The company has not advanced any loans to its directors and / or persons or firms or companies referred to in Section 295 of the Companies Act, 1956.
9. As per information & explanation given to us, the company has not entered into any contracts attracting provision of Section 297 of the Companies Act, 1956 in respect of contracts specified in that Section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As per information & explanation given to us, there were no instances falling within the purview of Section 314 of the Act during the current financial period.
12. The company has not issued any duplicate certificates during the said period.
13.
 - i) The company had allotted 5,00,000 shares to its Subscribers and delivered the certificates in accordance with the provisions of the Act thereafter. There was no transfer / transmission of securities during the financial period.
 - ii) The company has not declared any dividend for the period hence there is no deposit of any amount in separate Bank.
 - iii) The company was not required to post any dividend warrant to any member of the company as no dividend was declared during the financial period.
 - iv) The company was not required to transfer the amounts in unpaid

dividend account, application money due for refund, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as the Company has no arrears of dividends nor issued any debentures & has not accepted any deposit.

- v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There were appointments of Additional Directors and a resignation of Director as per the provisions of the Act. There were no appointments of alternate Directors or Directors to fill casual vacancies during the financial period.
15. The company has not appointed any Managing Director / whole time director / manager during the period.
16. The company has not appointed any sole selling agents during the financial period.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities, prescribed under the various provisions of the Act during the financial period.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company had issued and allotted 5,00,000 equity shares to its subscribers and complied with the provisions of the Act. The company has not issued debentures or any other securities during the said period.
20. The company has not bought back any shares during the financial period.
21. There was no redemption of preference shares or debentures during the financial period.
22. There were no transactions, necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the period.
23. The company has not invited / accepted any deposits, including any unsecured loans, falling within the purview of Section 58A or 58AA during the said period.
24. The company has not made any borrowings during the said period.
25. The company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the said period.
26. The company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one State to another during the period under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the period under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to the name of the company during the period under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to the Share Capital of the company during the financial period.
30. The company has not altered the Articles of Association during the financial period.
31. As per information & explanation given to us, there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company or its Directors during the financial period under the Companies Act, 1956.
32. The company has not received any money as security from its employees during the financial period.
33. The provisions of Section 418 of the Act are not applicable as the Company does not have its own PF Trust and the provisions of the Provident Fund Act are not applicable.

For Chandanbala Jain & Associates
Practicing Company Secretaries

Chandanbala R. Jain
Proprietor

Dated : June 27, 2009

Encl:

Annexure 'A'

Annexure 'B'

CP No. 6400 (ACS17400)

**ANNEXURE 'A'**

Registers as maintained by the company during the period ended March 31, 2009.

Sr. No.	Name of the Register	Maintained
1.	Register of Members	U/S 150 of the Act
2.	Register of Contracts	U/S 301 of the Act
3.	Register of Directors	U/S 303 of the Act
4.	Register of Directors' shareholdings	U/S 307 of the Act
5.	Register of Shares Transfer	
6.	Board Minutes Books & AGM/EGM Minutes Books	

ANNEXURE 'B'

Forms and returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the period ending on March 31, 2009.

Sr. No.	Form No.	Section / Rule	Description	Details of filing	Whether filed within prescribed time – yes/no	If delayed, additional fees paid – yes/no
1.	32	303 (2)	Appointment / Resignation of Directors	Date: 04.11.2008 SRN: A49122997	Yes	No
2.	32	303 (2)	Appointment / Resignation of Directors	Date: 17.11.2008 SRN: A50173533	Yes	No
3.	22B	187C(4)	Form of Return to be filed with the Registrar	Date: 19.12.2008 SRN: A52608577	Yes	No
4.	32	303 (2)	Appointment / Resignation of Directors	Date: 05.02.2009 SRN: A55541536	Yes	No

For Chandanbala Jain & Associates
Practicing Company SecretariesChandanbala R. Jain
Proprietor
CP No. 6400 (ACS17400)

Dated : June 27, 2009

Place: Mumbai

AUDITOR'S REPORT

To The Members of IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s. IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED, as at 31st March, 2009 and also the annexed Profit and Loss Account for the period ended on that date. 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 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 presentation of the financial statements. 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 subsection (4A) of Section 227 of the Companies Act, 1956, we annex hereto 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
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 except as reported above;
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that as on 31st March, 2009, none of the directors are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, 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:
 - i. in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date; and

For Desai & Kinare
Chartered Accountants

Shashikant Desai
Partner
M. No. 34105

Mumbai: June 27, 2009

ANNEXURE REFERRED TO IN PARA 3 OF THE REPORT OF THE AUDITOR TO THE MEMBERS OF IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED

- (i) (a) As explained to us, the Company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets;
 - (b) As informed to us, during the period under review, the fixed assets have been physically verified by the management. As explained to us, no material discrepancies were noticed on such verification as compared to book records;
 - (c) In our opinion and according to the information and explanations given to us, the company has not disposed off any fixed assets during the period;
 - (ii) (a) As explained to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956;
 - (b) On the basis of the information and as explained to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956;
 - (iii) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures;
 - (iv) (a) As explained to us, the contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section;
 - (b) In our opinion, the transactions entered in the register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are in our opinion, reasonable having regard to the prevailing market prices at the relevant time
 - (v) On the basis of the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58 A and 58 AA of the Companies Act, 1956 and the rules framed thereunder;
 - (vi) As explained to us, at present, the Company does not have an Internal Audit System.
 - (vii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956;
 - (viii) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed dues in respect of income-tax, and other material statutory dues applicable to the Company have generally been regularly deposited by the Company during the period with the appropriate authorities. Looking to the nature of the business carried out by the Company, there are no dues in respect of sales-tax, customs-duty, excise-duty and cess;
- As explained to us, no undisputed amounts payable in respect of investor education and protection fund, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us and on the basis of the records of the Company examined by us, there are no dues in respect of income-tax, sales-tax, wealth-tax, service-tax, customs-duty, excise-duty and cess which have not been deposited on account of any dispute;
- (ix) As explained to us, the accumulated losses at the end of the financial period are less than fifty per cent of its net worth. As per the information and explanations given to us the Company has incurred cash losses during the period under review;
- (x) Based on our audit and as explained to us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or debenture holders;
- (xi) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xii) On the basis of the information and explanations given to us, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are, at present, not applicable to the company;
- (xiii) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments;
- (xiv) As informed and explained to us, the Company has not given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company;

- (xv) As explained to us the Company has not obtained any term loans;
- (xvi) On the basis of the information given to us, the Company has not applied any funds raised on short-term basis which have been used for long-term investment;
- (xvii) As explained to us, 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;
- (xviii) As informed to us, there were no debentures issued during the period;
- (xix) On the basis of the information and explanations given to us, the Company has not raised any money by public issue during the period;
- (xx) As explained to us, during the period, no frauds have been detected by or on the company.

On the basis of the information and explanations given to us and looking to the nature of the transactions carried out by the Company presently, clauses ii(a), ii(b), ii(c), iii(b), iii(c), iii(d), iii(f) and iii(g) are, in our opinion, at present, not applicable to the Company.

*For Desai & Kinare
Chartered Accountants*

Shashikant Desai
*Partner
M. No. 34105*

Mumbai: June 27, 2009

IIT Insurance Broking and Risk Management Private Limited

BALANCE SHEET AS AT 31ST MARCH,2009

	Schedule	As at 31-03-2009 Rupees
I. SOURCES OF FUNDS		
(1) SHAREHOLDERS' FUNDS		
(a) Share capital	"A"	5,000,000
Total		<u>5,000,000</u>
II. APPLICATION OF FUNDS		
(1) FIXED ASSETS	"B"	
(a) Gross block		56,400
(b) Less: Depreciation		18,027
(c) Net block		<u>38,373</u>
(2) DEFERRED TAX ASSET		1,941
(3) CURRENT ASSETS, LOANS AND ADVANCES	"C"	
(a) Cash and bank balances		4,183,623
(b) Other current assets		12,434
(c) Loans and advances		<u>11,150</u>
		<u>4,207,207</u>
Less: CURRENT LIABILITIES AND PROVISIONS	"D"	
(a) Current liabilities		44,120
(b) Provisions		<u>2,100</u>
		<u>46,220</u>
NET CURRENT ASSETS		4,160,987
(4) Miscellaneous expenses	"E"	157,830
(5) Debit balance in Profit and Loss Account		<u>640,869</u>
Total		<u>5,000,000</u>
Notes to the Accounts	"G"	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

	Schedule	Period ended 31-03-2009 Rupees
INCOME		
Interest Income		57,312
(Tax deducted at source Rs.9,246/-)		
Total		<u>57,312</u>
EXPENDITURE		
Management expenses	"F"	679,995
Depreciation		18,027
Total		<u>698,022</u>
Profit/(Loss) before taxation		(640,710)
Provision for taxation		
- Current tax		-
- Fringe Benefit tax		(2,100)
- Defered tax		1,941
Profit/(Loss) after taxation		(640,869)
BALANCE CARRIED TO BALANCE SHEET		<u>(640,869)</u>
Notes to the Accounts	"G"	

As per our report of even date
For M/S DESAI & KINARE
Chartered Accountants

For and on behalf of the
Board of Directors

R.N.BHARDWAJ BIPIN AGARWAL
Chairman Director

Shashikant Desai
Partner
M.No. 34105

Mumbai: June 27, 2009

As per our report of even date
For M/S DESAI & KINARE
Chartered Accountants

For and on behalf of the
Board of Directors

R.N.BHARDWAJ BIPIN AGARWAL
Chairman Director

Shashikant Desai
Partner
M.No. 34105

Mumbai: June 27, 2009



SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2009

As at 31-03-2009
Rupees

SCHEDULE "A"

SHARE CAPITAL

Authorised:

10,00,000 Equity shares of Rs.10 each

10,00,000

Issued, subscribed and paid-up:

5,00,000 Equity shares of Rs.10 each fully paid-up

5,00,000

(The entire Equity Share Capital is held by Industrial Investment Trust Limited, the Holding Company)

Total 5,00,000

SCHEDULE "B"

FIXED ASSETS

Particular	COST				DEPRECIATION				NET BLOCK	
	As at 31/3/2008 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31/3/2009 Rupees	As at 31/3/2008 Rupees	For the year Rupees	Deductions during the year Rupees	As at 31/3/2009 Rupees	As at 31/3/2009 Rupees	As at 31/3/2008 Rupees
Computers	-	35,700	-	35,700	-	14,280	-	14,280	21,420	-
Furniture	-	20,700	-	20,700	-	3,747	-	3,747	16,953	-
Total	-	20,700	-	56,400	-	18,027	-	18,027	38,373	-

SCHEDULE "C"

CURRENT ASSETS, LOANS AND ADVANCES

(a) Cash and bank balances:		As at 31-03-2009 Rupees
With Scheduled banks:		
In current accounts	1,147,991	
In fixed deposit accounts	3,035,632	
	<u>4,183,623</u>	
(b) Other current assets:		
Interest accrued on fixed deposit	12,434	
	<u>12,434</u>	
(c) Loans and advances (unsecured, considered good, unless otherwise stated):		
Advances recoverable in cash or in kind or for value to be received		
Tax Deducted at Source and Advance Income Tax	9,246	
Advance Fringe Benefit Tax	1,904	
	<u>11,150</u>	
Total	<u><u>4,207,207</u></u>	

SCHEDULE "D"

CURRENT LIABILITIES AND PROVISIONS

(a) Current liabilities:		As at 31-03-2009 Rupees
Sundry creditors for Expenses		44,120
(no outstanding dues of Micro, Small and Medium Enterprises)		
		<u>44,120</u>
(b) Provisions:		
Provision for Fringe Benefit Tax		2,100
		<u>2,100</u>
Total		<u><u>46,220</u></u>

SCHEDULE "E"

MISCELLANEOUS EXPENSES

A. Preliminary expenses	197,287	
Less: Preliminary expenses written off	<u>39,457</u>	<u>157,830</u>
		<u>157,830</u>

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Period ended 31-03-2009 Rupees
SCHEDULE "F"	
MANAGEMENT EXPENSES	
(i) Payments to and provisions for employees:	
Salaries and Bonus	420,833
Staff welfare expenses	112
	420,945
(ii) Other expenses:	
Printing and stationery	1,890
Postage, Freight and Telephone	100
Travelling and Conveyance	93,408
Legal and Professional	5,412
Directors' sitting fees	45,000
Membership fees	20,000
Auditors' remuneration: (including service tax where applicable)	
Audit fees	44,120
Amortisation of expenses:	
Preliminary expenses	39,457
Miscellaneous	9,663
	259,050
Total	679,995

SCHEDULE "G"

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, and are in accordance with the requirements of the Companies Act, 1956, and comply with Accounting Standards referred to in sub-section (3C) of section 211 of the said Act.

b. Fixed assets:

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

c. Depreciation :

1. Depreciation is provided on Written Down Value Method in the manner at the rates prescribed in Schedule XIV to the Companies Act, 1956.
2. Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.

d. Preliminary expenses :

Amortization of preliminary expenses is over a period of five years.

e. Investments :

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

f. Retirement benefit :

Gratuity and Leave Encashment liability is accounted based on arithmetic calculation.

g. Taxes on income:

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

2. Considering the nature of business no separate information for segment disclosure required.

3. Remuneration to Directors

	2008-2009 Rupees
Directors' Sitting Fees	45,000
	45,000

4. Related party disclosures. – **As per Annexure – I**

5. **Deferred tax on account of**

	2008-2009 Rupees
a) Depreciation	
Addition during the year	1,941
Closing balance during the year	1,941

6. **EARNING PER SHARE (EPS)**

	2008-2009 Rupees
a) Net Loss after Tax available for Equity Shareholders (Rs.)	-640,869
b) Weighted average number of shares at the beginning and end of the year	5,00,000
c) Basic and Diluted Earnings per share in rupees (Face value – Rs. 10 per share)	-1.28

As per our report of even date
For M/S DESAI & KINARE
Chartered Accountants

For and on behalf of the
Board of Directors

R.N.BHARDWAJ BIPIN AGARWAL
Chairman Director

Shashikant Desai

Partner

M.No. 34105

Mumbai: June 27, 2009

Annexure-1 to Schedule G

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 Investrust Limited. Indo-Green Projects Limited

Companies in which directors

have significant influence : N.N Financial Services Pvt. Ltd.



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	8	7	0	7	6	State Code	1	1
Balance Sheet Date	3	1	0	3	2	0	0	9	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							5	0	0	0		

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

Source of Funds:	Total Liabilities							5	0	0	0	Total Assets									5	0	0	0						
	Paid up Capital							5	0	0	0	Reserves & Surplus												N	I	L				
	Secured Loans											N	I	L	Unsecured Loans												N	I	L	
Application of Funds:	Net Fixed Assets											3	8	Investments														N	I	L
	Net Current Assets							4	1	6	1	Misc. Expenditure															1	5	8	
	Accumulated Losses											6	4	1	Deferred Tax															

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

Turnover (including other income)												5	7	Total Expenditure																6	9	8										
Profit(+)/Loss(-) Before Tax														-	6	4	1	Profit(+)/Loss(-) After Tax																		-	6	4	1			
Earnings per share in Rs.														-	1	.	2	8	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	I	N	S	U	R	A	N	C	E	B	R	O	K	I	N	G
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R. N. Bhardwaj
Chairman

Bipin Agarwal
Director

DIRECTORS' REPORT

To,
The Members

1. Your Directors have pleasure in presenting the Fifteenth Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2009.

2. FINANCIAL HIGHLIGHTS

Particulars	For the year ended	For the year ended
	31st March, 2009	31st March, 2008
	(Rs. In Lacs)	(Rs. In Lacs)
Total Income	50.30	137.27
Profit before Depreciation & Tax	13.66	24.82
Less: Depreciation	0.51	0.11
Profit before tax	13.15	24.71
Less: Provision for Tax	3.25	6.12
Income tax adjustment for prior years	2.08	(3.30)
Profit after tax	7.82	21.89
Add: Balance brought forward	156.23	134.34
Amount available for appropriation	164.05	156.23
Balance carried to Balance Sheet	164.05	156.23

3. DIVIDEND:

In order to conserve the resources to meet emerging capital requirements for growth purposes, no dividend is recommended for the year under review.

4. OPERATIONS:

Total Income for the year under review was Rs.50.30 lacs as compared to Rs.137.27 lacs in the previous year. The profit before & after tax stood at Rs.13.15 lacs & Rs.7.82 lacs as against Rs.24.71 lacs & Rs.21.89 lacs respectively for the previous year. The dip in the income and consequently in the profit reflects the general market conditions and transition impact. Your company has embarked on diversification into Real Estate & Infrastructure business.

5. PROJECT:

During the year under review, the company was successful in its bid for entry into real estate/construction business. Greater Noida Industrial Development Authority (GNIDA) has allotted Plot admeasuring about 10,800 Sq.m. to the Company for development under their Builders Residential Scheme. The project-execution process is on. The project would take 3 to 4 years for completion. Efforts are made for seizing further opportunities in the field.

6. FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public during the year under review.

7. DIRECTORS:

Shri. R. K. Mittal and Shri. Venkatesan Narayanan were appointed as Additional Directors of the Company effective from 16th October, 2008 and 27th June, 2009 respectively. They are seeking election as Directors at the ensuing Annual General Meeting.

Shri. T. M. Nagarajan was appointed as Executive Chairman of the Company with effect from 1st April, 2009 for a period of 3 years. A resolution is placed before the shareholders at the ensuing Annual General Meeting for their approval of the terms of his appointment.

Shri. Swaran Singh resigned as Director of the Company with effect from 27th June, 2009. The Board places on record its appreciation of the services rendered by Mr.Swaran Singh during his tenure as Director of the Company.

Shri. Bipin Agarwal and Dr. B. Samal, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

8. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to any material departure;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review;
- (iii) That the Directors had taken proper and sufficient care 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;
- (iv) That the Directors had prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

9. PARTICULARS OF EMPLOYEES:

There were no such employees as mentioned in the Section 217(2A) of the Companies Act, 1956.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Since the Company is not engaged in any kind of manufacturing activities, the question of furnishing information pursuant to section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, does not arise. There were no foreign exchange earning and outgo during the year.

11. INTERNAL AUDIT:

Consistent with the size and complexity of emerging operations and keeping in view the cost aspect, appropriate internal audit system is proposed to be instituted in consultation with the auditors.

12. 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 Bombay Stock Exchange Limited, is given as a separate statement in the Annual Report.

13. CORPORATE GOVERNANCE:

As the Company does not have a CEO/CFO at present, the certification as required under Clause 49(V) of the Listing Agreement is given by Shri. T. M. Nagarajan - Chairman 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.

14. AVAILABILITY OF INFORMATION ON THE EDIFAR SYSTEM:

By virtue of Clause 51 of the Listing Agreement with the Stock Exchange, the Company has uploaded its Financial Results, Shareholding Pattern, Annual Report, and Corporate Governance with effect from the financial year 2002-03 on EDIFAR website namely www.sebiedifar.nic.in in such manner and format as specified by SEBI. A statement of your Company can be accessed at this website.

15. AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company will retire on conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under section 224(1-B) of the Companies Act, 1956. Members are requested to consider their reappointment as Auditors for the financial year ending 31st March 2010 at a remuneration to be decided by your Board of Directors or any Committee thereof.

16. INDUSTRIAL RELATION:

The Company enjoyed cordial relations with the employees during the year under review.

17. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of cooperation and support extended by employees, banks and shareholders of the company.

For and on behalf of the Board of Directors

Mumbai, 27th June, 2009

T. M. Nagarajan
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Environmental Overview:

By dint of its macroeconomic fundamentals and thanks to the prudent governmental/regulatory policies, the Indian Economy has not been much impacted by the recent global downturn. India continued to grow, albeit at a slower pace, yet at over 6%, a no less impressive rate, in the fiscal year 2008-09. Though no such mortgage loan and derivative crisis as one that shook a part of the world has afflicted India, real estate business, more in commercial segment and to some extent in residential segment, has faced slow down. This may be attributable to a host of factors like slump in the Stock Market, undue spiraling of property prices, liquidity problems faced by overstretched developers and receding affordability of consumers. Yet, indisputably, Infrastructure, including housing, remains the key for sustained growth. In due recognition of this, Government of India has initiated several measures to give impetus to infrastructure creation. Particular attention is bestowed on provision of "affordable housing".

Corporate Focus:

The Company was engaged in dealing in shares. In the wake of change of management control during the year, the Company has now become a part of IITL (Industrial Investment Trust Limited) group. Keeping in view the emerging potential, the company has entered into Real Estate related activities.

In its bid for entry into Real Estate Sector, the Company has been successful. The Greater Noida Industrial Development Authority (GNIDA) has allotted a plot admeasuring about 10,800 Sq.m. to the Company for development, under their Builders Residential Scheme. The Company aims at providing houses at affordable cost. The project is expected to take 3 to 4 years for completion. The Company is exploring the possibilities of securing other such projects/ business.

Segment –Wise Performance:

During the year under review, the Company has changed its business activities from dealing in shares to Real Estate related activities. Hence, the Company's activities for the year under review, are divided into two segments i.e. dealing in shares and Real Estate related activities. The net profit from trading activities was Rs.5.95 lakhs. The Company has paid to GNIDA 20% of the total value of land i.e. Rs.2.05/-Crores and paid stamp duty of Rs.57 lakhs. The execution of lease deed is in progress. The capital requirement/layout will increase once the project starts.

Risk Management:

No business is totally risk-free. The management is determined to identify, minimize, and control the risks involved in the Company's business. The risks involved would include inadequate demand and Time and Cost overrun. These are sought to be managed through realistic market assessment, project supervision, cost and internal control and appropriate pricing and marketing. The Company is in the process of evolving suitable Risk Management Policy.

Internal Control:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded, and reported correctly. The system would be suitably strengthened from time to time, commensurate with the size and nature of operations.

Operational Performance:

The Company has made entry into the Real Estate Sector during the year. As mentioned above, we have already acquired one project with GNIDA. Also, the Company is in the initial stages of providing real estate consultancy/property services.

The trading and financing activities that were discontinued during the year had given positive returns.

Overall profit of the Company stood at Rs.7.82 lakhs for the year.

Human Resources:

The Company believes that its human resources are the most valuable ingredient of its successful operations and growth. It would endeavor to build up gradually required skill and maintain cordial relationship with all its employees.

Disclaimer:

This "Management Discussion and Analysis" may contain what may be considered as "forward looking statements". These statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance, or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statements, on the basis of any subsequent developments, information, or events.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY:

The Company's philosophy on Corporate Governance hinges on transparency, fairness and prudence in all its functions, consistent with market dynamics, while endeavoring towards maximization of the shareholders' value and protection of all the stakeholders' interests.

II. BOARD OF DIRECTORS:

The Board consists of experienced professionals drawn from diverse fields. The Board as on 31st March, 2009 comprises of six members. All are non executive directors and three of them are independent directors. The composition is in conformity with the listing requirement.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting and also the number of Directorship and Committee membership held by them in other Companies are given below:

FY 2008 –09 (April'08 to March'09)

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Membership/Chairmanship in other Indian Public Limited Company as on 31.03.09		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Smt. Usha Singhania #	N/E Chairperson Promoter	3	No	Nil	Nil	Nil
Shri.Rajan Menda #	I/ NE	3	No	Nil	Nil	Nil
Kum.Neha Singhania#	NI/NE	3	No	Nil	Nil	Nil
Shri. Jitendra Tibrewala#	I/ NE	3	No	Nil	Nil	Nil
Shri. T. M. Nagarajan*	I/NE	6	Yes	4	3	-
Shri. Bipin Agarwal*	NI/NE Promoter	6	Yes	6	2	-
Shri. Swaran Singh*	NI/NE Promoter	4	No	4	1	-
Dr. B. Samal*	NI/NE	6	Yes	10	6	2
Shri. R. S. Loona**	I/NE	5	Yes	1	1	-
Shri. R. K. Mittal***	I/NE	4	No	3	5	3

E-Executive Director, NE- Non Executive Director

NI- Non Independent Director, I- Independent Director

Resigned as Director w.e.f. 5th August, 2008.

* Appointed as an Additional Director w.e.f. 5th August, 2008.

** Appointed as an Additional Director w.e.f. 13th August, 2008.

*** Appointed as an Additional Director w.e.f. 16th October, 2008.

- Excludes alternate directorships and directorships in foreign companies and private companies.
 - Only two committees viz. the "Audit Committee", and the "Shareholders'/ Investor' Grievance/Share Transfer Committee have been considered.
- b) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- c) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

d) Meetings of the Board of Directors:

During the Financial year 2008-09, Eight (8) Board Meetings were held on the following dates:

5th May 2008, 24th July 2008, 5th August 2008, 13th August 2008, 16th October 2008, 4th November 2008, 24th January 2009, and 9th March 2009.

III. AUDIT COMMITTEE:

The Audit Committee was constituted on 30th June, 2001. It was last reconstituted on 24th January, 2009. The Audit Committee comprises independent directors. The members of the committee have knowledge of finance, accounts, Company law etc.

The terms of reference to the committee include, inter alia, overseeing financial reporting processes, reviewing the financial statements, quarterly, half yearly/ annual financial results and adequacy of internal control/ audit systems, discussion with the Auditors on any significant findings etc.

During the year under review, five(5) meeting of the Audit Committee were held, the dates being 5th May 2008, 24th July 2008, 13th August 2008, 16th October 2008 and 24th January 2009.

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

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Shri. Rajan Menda #	Member/Chairman	2
Shri. Jitendra Tibrewala #	Member	2
Kum. Neha Singhania #	Member	2
Shri. T. M. Nagarajan *	Member/Chairman	3
Dr. B. Samal * / ##	Member	3
Shri. Bipin Agarwal * / ##	Member	3
Shri. R. K. Mittal**	Member/Chairman	0
Shri. R. S. Loona**	Member	0

Ceased to be Director and member of the Audit Committee from the conclusion of the Board Meeting held on 5th August, 2008.

* Appointed as Additional Director and as member of the Audit Committee in the Board Meeting held on 5th August, 2008.

** Appointed as member of the Audit Committee in the Board Meeting held on 24th January, 2009.

Ceased to be member of the Audit Committee from the conclusion of Board Meeting held on 24th January, 2009.

IV. REMUNERATION COMMITTEE (Non Mandatory):

The Remuneration Committee was constituted on 16th December, 2002. It was last reconstituted on 9th March, 2009. The Remuneration Committee consists of three Non-Executive Directors.

Main functions of the Remuneration Committee includes recommendation to the Board of Directors for the appointment of Managing Director / Whole-time Director and the salary, perquisites, allowances, commission and retirement benefits and finalization package payable to them.

During the year under review, 1 meeting of the Remuneration Committee was held on 24th January, 2009.

The Composition and attendance of the members at the Remuneration Committee Meeting are as follows:

Remuneration Committee Members	Status	No. of Remuneration Committee Meetings Attended
Shri. Rajan Menda #	Member/Chairman	0
Shri. Jitendra Tibrewala #	Member	0
Kum. Neha Singhania #	Member	0
Shri. T. M. Nagarajan * / ##	Member/Chairman	0
Dr. B. Samal *	Member	1
Shri. Bipin Agarwal * / ##	Member	1
Shri. R. K. Mittal**	Member	0
Shri. R. S. Loona**	Member/Chairman	0

Ceased to be Director and member of the Remuneration Committee from the conclusion of the Board Meeting held on 5th August, 2008.

* Appointed as Additional Director and as member of the Remuneration Committee in the Board Meeting held on 5th August, 2008.

** Appointed as member of the Remuneration Committee in the Board Meeting held on 9th March, 2009.

Ceased to be member of the Remuneration Committee from the conclusion of the Board Meeting held on 9th March, 2009.

However, during the year under review, the Company has not paid any remuneration or professional fees to any Directors of the Company except sitting fees.

Details of sitting fees to Non-Executive Directors for the year 2008-2009 are given below:

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Shri. Bipin Agarwal	20,000	7,500	27,500
Shri. Swaran Singh	15,000	--	15,000
Dr. B. Samal	20,000	10,000	30,000
Shri. T. M. Nagarajan	20,000	5,000	25,000
Shri. R. S. Loona	20,000	2,500	22,500
Shri. R. K. Mittal	20,000	2,500	22,500

Stock Options:

Presently the Company does not have any practice of granting stock options. None of the Directors held any equity shares in the company as on 31st March, 2009.

V. SHAREHOLDERS'/INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:

The Shareholders'/Investors' Grievance & Share Transfer Committee was constituted on 16th December, 2002. It was last reconstituted on 9th March, 2009. All the members are Non Executive Directors and majority of them are Independent Directors. The Committee as on 31st March, 2009 consist of 3 members, namely:

- Shri. R. K. Mittal - Chairman
- Shri. R. S. Loona - Member
- Dr. B. Samal - Member

The 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 received from shareholders, relating to transfer of shares, non-receipt of annual reports, dividends etc.

Name and designation of Compliance Officer: Ms. Bhairavi Kapadia- Company Secretary.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was two. There were no outstanding complaints as on 31st March, 2009. The Company attends to investor & shareholders grievances within 10 days from the date of receipt of the same.

The Committee met twice during the year under review.

VI. GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings of the Company and Special Resolutions passed thereat are as under:



Financial Year	AGM	Day, Date & Time	Venue	Special Resolution passed
2005-06	12 th AGM	Saturday, 30 th September, 2006 at 4.30 p.m.	Registered Office : R. No. 11, 22-A, Jagjivan Mansion, 1 st Floor, 2 nd Fanaswadi, Dadiseth Agiary Lane, Mumbai- 400 002	NIL
2006-07	13 th AGM	Friday, 28 th September, 2007 at 3.30 p.m.	Registered Office : R. No. 11, 22-A, Jagjivan Mansion, 1 st Floor, 2 nd Fanaswadi, Dadiseth Agiary Lane, Mumbai- 400 002	Revision in Remuneration payable to Smt. Usha Singhania, Managing Director of the Company.
2007-08	14 th AGM	Saturday, 27 th September, 2008 at 11.00 a.m.	Registered Office : Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai-400 001.	1) Increase in Authorised Share Capital. 2) Change of Main Object Clause of Memorandum of Association. 3) Authority for payment of Remuneration to Non-Executive Director. 4) Alteration in Articles of Association.

Details of the Extra Ordinary General Meetings of last three years and Special Resolutions passed thereat are as under:

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2008-09	Friday, 5 th December, 2008 at 3.00 p.m.	Registered Office : Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai-400 001.	Authority to Issue Non-Convertible Cumulative Redeemable Preference Shares.

Special Resolution Passed through Postal Ballot & Voting Pattern for the Same.

At the ensuing Annual General Meeting, no matter has been placed before the shareholders to be passed through postal ballot.

The company passed a special resolution for Change in the Main Object Clause of the Memorandum of Association of the company through postal ballot and the results were announced and confirmed by the members in the 14th Annual General Meeting held on 27th September, 2008.

Sr. No.	Particulars	Results
1.	Valid Postal Ballot Forms in favour of the resolution	21
2.	Valid Postal Ballot Forms against the resolution	5

VII. DISCLOSURES:

1) Compliance with other Mandatory Requirements:

- a) **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.
- b) **Basis of related party transactions:** As required by revised clause 49, a statement in summary form of transactions with related parties are periodically placed before the Audit Committee.
- c) **Disclosure of Accounting Treatment:** Disclosure of Accounting Treatment wherever applicable have been made in the audited financial accounts for the year ended 31st March, 2009.
- d) **Disclosure on Risk Management:** The Company is in the process of implementing a suitable Risk Management Policy.
- e) **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.

f) **CEO Certification:** A Certificate from Shri. T. M. Nagarajan, Chairman of the Company on the financial statements of the Company was placed before the Board.

g) **Note on appointment or re-appointment of Directors:** Particulars of Directors who need to be appointed/re-appointed at the ensuing Annual General Meeting are given under the Note no.14 of the Notice convening the meeting.

2) 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 of which 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 yet not adopted any training programme for the members of the Board.
- f) The Company has not adopted any Whistle Blower Policy.

VIII. OTHER DISCLOSURES:

- a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, its subsidiaries etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties during the period are disclosed in the Annual Report, in accordance with the requirements of Accounting Standard AS-18.
- b) During the last three years there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

IX. MEANS OF COMMUNICATION:

- a) The quarterly, half-yearly and annual results are communicated to the Bombay Stock Exchange Limited where the Company's shares are listed and published in Free Press Journal (English) and Navshakti (Marathi). Half yearly report is not sent to each household of shareholders.
- b) The Company has not made any presentation to any institutional investors or to any analysis 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.

X. GENERAL SHAREHOLDERS INFORMATION:

AGM : Date, Time & Venue	27 th August, 2009 at 4.30 p.m. Registered Office of the Company : Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai – 400 001
Financial Year 2009-10 Financial Year ending	(Tentative) 31 st March, 2010
- Result for First Quarter ending 30.06.09	Last week of July, 2009
- Result for Second Quarter ending 30.09.09	Last week of October, 2009
- Result for Third Quarter ending 31.12.09	Last week of January, 2010
- Audited Result for the year 31.03.10	On or before 30 th June, 2010
Date of Book Closure	20.08.09 to 27.08.09 (both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	Bombay Stock Exchange Limited
Stock Code	531968
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	ISIN: INE786E01018
Market price Data : High , Low during each month in the financial year 2008-2009	See Table No. 1 below
Registrar and Share Transfer Agents	Purva Shareregistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011.
Share Transfer System	Share Transfers are registered and return within a period of 30 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See table no. 2 & 3
De-materialisation of shares and liquidity	As on 31 st March, 2009, 85.25% of the Company's total equity shares representing 42,54,485 shares were held in dematerialized form and balance 14.75% representing 7,36,415 shares were held in physical form.
Outstanding GDRS/ADRS/ Warrants or any convertible instruments, conversion date and likely impact on equity	There were no such outstanding instruments as on 31 st March, 2009
Address for correspondence	Regd. Off. : Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai – 400 001 Or Purva Shareregistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011.

Table 1 – Market Price Data

High and Low of market price of the Company's shares traded on Bombay Stock Exchange Limited during the financial year 2008-2009.

Month	BSE	
	High	Low
April – 2008	40.10	26.35
May – 2008	48.60	31.60
June – 2008	48.95	35.10
July – 2008	50.20	37.75
August- 2008	44.75	33.85
September –2008	43.85	37.10
October –2008	43.85	41.60
November – 2008	43.60	41.60
December – 2008	41.35	37.35
January – 2009	37.10	27.40
February – 2009	30.15	26.05
March – 2009	32.35	26.00

Table 2 – Distribution of shareholding as on 31st March, 2009

Grouping of Shares	No. of Share holders	% of total share holders	No. of Shares per Category	% of total shares
upto 500	197	61.56	26726	0.54
501 to 1000	25	7.81	19862	0.40
1001 to 2000	37	11.56	56539	1.13
2001 to 3000	4	1.25	10646	0.21
3001 to 4000	7	2.19	24451	0.49
4001 to 5000	4	1.25	18285	0.37
5001 to 10000	13	4.06	97958	1.96
10001 and above	33	10.31	4736433	94.90
Total	320	100.00	49,90,900	100.00

Table 3 - Distribution of Shareholding as on 31st March, 2009

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoters	2	35,15,120	70.43
Bodies Corporate	28	66,378	1.33
Indian Public	288	1,401,900	28.09
NRIs	2	7,502	0.15
Total	320	49,90,900	100.00

Auditors' Certificate on Corporate Governance

The Auditors' Certificate on compliance with 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

T. M. Nagarajan
CHAIRMAN

Place: Mumbai
Date: 27th June, 2009

**Auditors' Certificate****To the Members of Indo Green Projects Limited**

We have examined the compliance of the conditions of corporate governance by **Indo Green Projects Limited** ("the Company") for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited (hereinafter referred to as clause 49).

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanations given to us, 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 Chairman of the Company and the fact that the Company is in the process of implementing a suitable Risk Management policy, we certify that the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in clause 49.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Z. F. Billimoria
Partner

Mumbai: 27th June, 2009

(Membership No. 42791)

AUDITORS' REPORT**TO THE MEMBERS OF INDO GREEN PROJECTS LIMITED**

1. We have audited the attached Balance Sheet of **Indo Green Projects Limited** as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
 - (vi) On the basis of the written representations from the directors, taken on record by the Board of Directors as on 31st March, 2009, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

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

Mumbai: 27th June, 2009

**ANNEXURE TO THE AUDITORS' REPORT
(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)**

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified during the year by the Management in accordance with a program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, 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 under clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) does not arise.
- (ii) Since the Company does not have any inventory, the question of reporting under clause 4(ii) 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. 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.
- (b) 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 Companies Act, 1956. 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any major weakness in such internal controls.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register maintained under the said Section have been so entered.
- (b) Where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices wherever applicable, at the relevant time, except in respect of a particular transaction wherein comparative rates are not available owing to its nature.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act, 1956.
- (vii) *The Company does not have an internal audit system.* According to the information and explanations given to us, the Company is in the process of instituting an internal audit system appropriate to its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act. Accordingly the question of reporting under clause 4(viii) of the said Order does not arise.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed dues including Income Tax, Service Tax, Cess and any other material statutory dues with the appropriate authorities during the year. Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Customs Duty and Excise Duty are not applicable to the Company.
- (b) There were no undisputed amounts payable on account of the above dues applicable to the Company, that were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.

- (c) There were no disputed Income Tax, Service Tax and Cess dues which were not deposited as on 31st March, 2009 except as stated below:

Nature of the dues	Amount (Rupees)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961:			
Income Tax	222,079	A. Y. 2006 07	Deputy Commissioner of Income Tax (Appeals)

- (x) The Company does not have any accumulated losses at the end of the financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any loans from financial institutions or banks nor has it issued any debentures. Accordingly, the question of reporting under clause 4(xi) of the said Order does not arise.
- (xii) According to the information and explanations given to us, the Company has not granted any 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 / nidhi / mutual benefit fund / society. Accordingly, the question of reporting under clause 4(xiii) of the said Order does not arise.
- (xiv) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not given 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 reporting under clause 4(xvi) of the said Order does not arise.
- (xvii) The Company did not have any short-term loans during the year and as at the year end. Accordingly, the question of reporting under clause 4(xvii) of the said Order does not arise.
- (xviii) According to the information and explanations given to us, 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 under clause 4(xviii) of the said Order does not arise.
- (xix) The Company has not issued any debentures. Accordingly, the question of reporting under clause 4(xix) of the said Order does not arise.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the question of reporting under clause 4(xx) of the said Order does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Z. F. Billimoria
Partner

Mumbai: 27th June, 2009

(Membership No. 42791)

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	50,079,000	50,079,000
(b) Reserves and surplus	"B"	16,405,906	15,623,589
(2) DEFERRED TAX LIABILITY ON DEPRECIATION		4,871	-
Total		66,489,777	65,702,589
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"C"	126,716	297,750
(b) Less: Depreciation		50,686	289,349
(c) Net block		76,030	8,401
(2) INVESTMENTS	"D"	-	3,229,000
(3) CURRENT ASSETS, LOANS AND ADVANCES			
(a) Stock-in-trade	"E"	-	2,105,363
(b) Cash and bank balances		36,427,888	35,121,635
(c) Other current asset		375,905	49,898
(d) Loans and advances		30,076,317	25,276,177
		66,880,110	62,553,073
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	"F"	465,963	85,490
(b) Provisions		400	2,395
		466,363	87,885
NET CURRENT ASSETS		66,413,747	62,465,188
Total		66,489,777	65,702,589
NOTES TO THE ACCOUNTS	"K"		

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

As per our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

Z. F. BILLIMORIA
Partner

T. M. NAGARAJAN
Chairman

BIPIN AGARWAL
Director

BHAIRAVI KAPADIA
Company Secretary

Mumbai: 27th June, 2009

Mumbai: 27th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31-03-2009 Rupees	Year ended 31-03-2008 Rupees
INCOME			
Fees		1,165,000	-
Interest	"G"	2,507,969	3,748,967
Bill discounting charges		-	402,699
Profit on sale of equity shares (net)		594,244	-
Other income	"H"	762,740	9,575,167
Total		5,029,953	13,726,833
EXPENDITURE			
Personnel expenses	"I"	1,203,343	1,000,492
Operating and other expenses	"J"	2,460,195	658,961
Loss on sale of equity shares (net)		-	9,584,432
Depreciation	"C"	51,256	11,350
Total		3,714,794	11,255,235
PROFIT BEFORE TAXATION			
		1,315,159	2,471,598
Provision for taxation			
- Current tax		313,300	593,072
- Deferred tax		4,871	-
- Fringe benefit tax		6,700	19,395
- Income-tax adjustment for prior years		207,971	(330,175)
PROFIT AFTER TAX			
		782,317	2,189,306
Add : Balance brought forward		15,623,589	13,434,283
BALANCE CARRIED TO BALANCE SHEET			
		16,405,906	15,623,589
NOTES TO THE ACCOUNTS			
	"K"		
The schedules referred to above form an integral part of the Profit and Loss Account			
Basic and Diluted earnings per equity share (in Rs.)		0.16	0.44
Nominal value per equity share in Rs. (see note 7)		10.00	10.00

As per our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

Z. F. BILLIMORIA
Partner

T. M. NAGARAJAN
Chairman

BIPIN AGARWAL
Director

BHAIRAVI KAPADIA
Company Secretary

Mumbai: 27th June, 2009

Mumbai: 27th June, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended 31-03-2009 Rupees	Year ended 31-03-2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES.		
Net profit before tax	1,315,159	2,471,598
Adjustments for:		
Depreciation	51,256	11,350
Loss on fixed assets scrapped	7,831	-
Dividend from current investments	(719,257)	-
Operating profit before working capital changes	<u>654,989</u>	<u>2,482,948</u>
Increase / (decrease) in current liabilities	380,473	(1,280,172)
Decrease in sundry debtors	-	12,700
Decrease in stock-in-trade	2,105,363	4,460,506
(Increase) / decrease in loans, advances and other current asset	<u>(4,909,133)</u>	<u>25,112,106</u>
Cash generated from operations	<u>(1,768,308)</u>	<u>30,788,088</u>
Direct taxes paid (including fringe benefit tax)	<u>(746,980)</u>	<u>(505,200)</u>
Net cash (used in) / generated from operating activities	<u>(2,515,288)</u>	<u>30,282,888</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(126,716)	-
Purchase of investments in mutual funds	(50,000,000)	-
Proceeds from redemption of investment in mutual funds	50,000,000	-
Sale proceeds of investment	3,229,000	-
Dividend from current investments	719,257	-
Net cash generated from investing activities	<u>3,821,541</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowing	-	110,000
Repayment of borrowing	-	(110,000)
Net cash generated from financing activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1,306,253</u>	<u>30,282,888</u>
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year, as per Schedule E	35,121,635	4,838,747
As at the end of the year, as per Schedule E	<u>36,427,888</u>	<u>35,121,635</u>
NET INCREASE AS DISCLOSED ABOVE	<u>1,306,253</u>	<u>30,282,888</u>

As per our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

Mumbai: 27th June, 2009

For and on behalf of the Board of Directors

T. M. NAGARAJAN
Chairman

BIPIN AGARWAL
Director

BHAIRAVI KAPADIA
Company Secretary

Mumbai: 27th June, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
5,500,000 Equity shares of Rs. 10/- each	55,000,000	55,000,000
4,500,000 (previous year: Nil) Cumulative Non-Convertible Redeemable Preference shares of Rs. 10/- each	<u>45,000,000</u>	-
	<u>100,000,000</u>	<u>55,000,000</u>
Issued:		
5,050,100 Equity shares of Rs. 10/- each	<u>50,501,000</u>	<u>50,501,000</u>
	<u>50,501,000</u>	<u>50,501,000</u>
Subscribed:		
4,990,900 Equity shares of Rs. 10/- each fully paid-up	49,909,000	49,909,000
Add: 59,200 Equity shares forfeited - amount paid	170,000	170,000
[Of the above, 3,515,120 (previous year: Nil) Equity shares are held by the holding company; Industrial Investment Trust Limited]	<u>50,079,000</u>	<u>50,079,000</u>
	<u>50,079,000</u>	<u>50,079,000</u>
SCHEDULE "B"		
RESERVES AND SURPLUS		
Balance in Profit and Loss Account	<u>16,405,906</u>	<u>15,623,589</u>
	<u>16,405,906</u>	<u>15,623,589</u>

SCHEDULE "C"

FIXED ASSETS

DESCRIPTION	COST				DEPRECIATION				NET BLOCK	
	As at 01-04-2008	Additions during the year	Deductions during the year	As at 31-03- 2009	As at 01-04- 2008	For the year	On deductions during the year	As at 31-03- 2009	As at 31-03 2009	As at 31-03 2008
	(in Rupees)									
Office equipment	16,000	-	16,000	-	7,600	570	8,170	-	-	8,400
Computers	281,750	126,716	281,750	126,716	281,749	50,686	281,749	50,686	76,030	1
Total	297,750	126,716	297,750	126,716	289,349	51,256	289,919	50,686	76,030	8,401
Previous year	297,750	-	-	297,750	277,999	11,350	-	289,349		

SCHEDULE "D"

INVESTMENT:

Long-term investment (at cost, fully paid-up):

Other than trade (unquoted):

322,900 Equity shares of Rs. 10/- each in Detco Polyester Private Limited

	-	3,229,000
	<u>-</u>	<u>3,229,000</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
SCHEDULE "E"		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Stock-in-trade:		
Equity shares (quoted) [see note 1(v)] (face value of Rs. 10/- each):	No. of Shares	
ACC Limited	4	623
Adarsh Derivatives Limited	700	21,569
Agri Tech India Limited	3,000	45,036
McDowell Limited	100	5,844
Nath Bio Genes (India) Limited	3,300	49,539
Nath Seeds Limited	8,700	130,603
Ojes Technoc Limited	100	1,480
Petronet LNG Limited	25,000	1,587,250
Sterling Holidays Resort Limited	10,000	260,800
Unicorp Industries Limited	100	2,619
	-	2,105,363
(b) Cash and bank balances:		
Cash on hand	13,219	147,727
With scheduled banks:		
- on current account	5,694,196	27,383,751
- on fixed deposit account	30,720,473	7,590,157
	36,427,888	35,121,635
(c) Other current asset:		
Interest accrued on a bank deposit	375,905	49,898
	375,905	49,898
(d) Loans and advances (unsecured, considered good):		
Advances recoverable in cash or in kind or for value to be received	28,583,218	24,000,092
Advance payment of income tax (net of provisions)	1,493,099	1,276,085
	30,076,317	25,276,177
Total	66,880,110	62,553,073

SCHEDULE "F"**CURRENT LIABILITIES AND PROVISIONS**

(a) Current liabilities:		
Creditors for expenses (no outstanding dues of Micro and Small Enterprises) (see note 8)	419,302	78,310
Other liabilities	46,661	7,180
	465,963	85,490
(b) Provisions:		
Fringe benefit tax (net of advance tax)	400	2,395
	400	2,395
Total	466,363	87,885

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	As at 31-03-2009 Rupees	Rupees	As at 31-03-2008 Rupees
SCHEDULE "G"				
INTEREST				
On deposits with bank (gross)				
(tax deducted at source: Rs.490,686; previous year: Rs.156,178)		2,381,967		758,145
On loans				
(tax deducted at source: Rs. Nil; previous year: Rs. 663,311)		<u>126,002</u>		<u>2,990,822</u>
Total		<u><u>2,507,969</u></u>		<u><u>3,748,967</u></u>
 SCHEDULE "H"				
OTHER INCOME				
Keyman insurance maturity proceeds		-		9,513,183
Dividend from current investments		719,257		-
Dividend on stock-in-trade		42,980		56,701
Miscellaneous income		503		5,283
Total		<u><u>762,740</u></u>		<u><u>9,575,167</u></u>
 SCHEDULE "I"				
PERSONNEL EXPENSES				
Salaries and bonus		1,200,880		1,000,492
Staff welfare expenses		2,463		-
Total		<u><u>1,203,343</u></u>		<u><u>1,000,492</u></u>
 SCHEDULE "J"				
OPERATING AND OTHER EXPENSES				
Rates and taxes		2,500		2,500
Insurance		13,637		17,231
Printing and stationery		39,355		7,697
Communication expenses		17,851		24,798
Advertisement		44,586		19,143
Travelling and conveyance		81,357		384,500
Repairs and maintenance				
a) Computers	2,400		-	
b) Others	<u>351</u>	2,751	-	-
Sub-contracting charges		900,000		-
Legal and professional fees		233,230		54,500
Directors' sitting fees		142,500		3,200
Membership fees		26,815		25,730
Expenses for increase in authorised capital		315,000		-
Professional fees paid to a non-executive director		-		47,500
Auditors' remuneration:				
a) Audit fees	325,000		25,000	
b) Tax audit fees	-		5,000	
c) Taxation matters	-		35,000	
d) Other services	224,000		-	
e) Out-of-pocket expenses	145		-	
f) Service tax	<u>59,634</u>	608,779	<u>3,708</u>	68,708
Loss on fixed assets scrapped		7,831		-
Miscellaneous		24,003		3,454
Total		<u><u>2,460,195</u></u>		<u><u>658,961</u></u>



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 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. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

ii. Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

iii. Depreciation

- Depreciation is provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- 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. Revenue recognition

- Interest on fixed deposits, bills discounting and inter-corporate deposits is accounted on accrual basis.
- Income from real estate related activities are accounted as per the terms of contract with the customer.
- Dividend income is accounted when the right to receive payment is established and known.

v. Inventories

These comprise of shares which are valued at lower of cost and net realisable value.

vi. Investments

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

Current investments, consist of mutual funds, are stated at lower of cost and fair value where net asset value declared by the respective funds is considered as fair value.

vii. Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets other than on carried forward losses and unabsorbed depreciation are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax asset on account of carried forward losses and unabsorbed depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

viii. Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

	31-03-2009	31-03-2008
	Rupees	Rupees
(2) Contingent liability not provided for in respect of: Disputed income-tax matter under appeal. The outflow of resources would depend upon the outcome of the appeal.	222,079	-
(3) Directors' remuneration Salaries	-	750,000
(4) The Company was primarily engaged in dealing or trading in shares and other related financing activities which were discontinued consequent to the change in Management control during the course of the year, after which the Company is primarily engaged in Real Estate related activities. Accordingly, the segment disclosures in terms of Accounting Standard 17 on "Segment Reporting", notified under the Companies (Accounting Standard) Rules, 2006, are as under:		

(i) Primary Segments - Business Segments

	Particulars	Trading in	Real Estate	Total
		shares and financing	related activities	
		Rupees	Rupees	Rupees
(a) Segment revenue – External sales / Income / (loss) from operations	1,948,099	1,165,000	-	3,113,099
Other income	[(5,370,782)]		[-]	[(5,370,782)]
				1,916,854
				[9,513,183]
Total				5,029,953
				[4,142,401]
(b) Segment result	564,840	(851,535)		(286,695)
Operating income / (loss)	[(7,041,585)]	-		[(7,041,585)]
Other income				1,916,854
				[9,513,183]
Other expenses				315,000
				[-]
Profit before tax				1,315,159
				[2,471,598]
Less: Provision for taxation				532,842
				[282,292]
Profit after tax				782,317
				[2,189,306]
(c) Segment assets	-	65,463,041		65,463,041
- Allocated	[64,514,389]		[-]	[64,514,389]
				1,493,099
-Unallocated	[-]		[-]	[1,276,085]
(d) Segment liabilities	-	465,963		465,963
- Allocated	[85,490]		[-]	[85,490]
				5,271
-Unallocated	[-]		[-]	[2,395]
(e) Capital employed	-	64,997,078		64,997,078
- Allocated	[64,428,899]		[-]	[64,428,899]
				1,487,828
Unallocated	[-]		[-]	[1,273,690]

(f) Capital expenditure	- [-]	126,716 [-]	126,716 [-]
(g) Depreciation	570 [11,350]	50,686 [-]	51,256 [11,350]

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

(ii) Secondary segments – Geographical segments.

The revenue of the Company is only from the domestic market. Therefore, there are no reportable geographical segments.

(5) During the year, the Company purchased and sold the following investments in mutual funds (unquoted, fully paid-up)

Cost of Acquisition (Rupees)

- (a) 5,000,000 units of Rs. 10/- each in 1261 ICICI Prudential Interval Fund Monthly Interval Plan I – Institutional Dividend – Pay Dividend 50,000,000
- (b) 4,999,750 units (and 012 fractions) of Rs.10/- each in 32ISD ICICI Prudential Institutional Liquid Plan – Super Institutional Daily Dividend – Reinvest Dividend 50,000,000

(6) Related party disclosures:

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

Holding company: Industrial Investment Trust Limited [no transactions] (w.e.f 5th August, 2008)

(b) Names of other related parties and nature of relationship where there are transactions with related parties:

Companies in which directors have significant influence: Detco Polyesters Private Limited (upto 4th August, 2008)

NCJ International Limited (w.e.f 5th August, 2008)

Key management personnel: Usha Singhania – Managing Director (upto 4th August, 2008)

Relative of key management personnel: Neha Singhania – Director (upto 4th August, 2008)

(ii) Transactions with related parties:

Nature of transactions	Holding company	Companies in which directors have significant influence	Key management personnel	Relative of key management personnel
	Rupees	Rupees	Rupees	Rupees
Volume of transactions:				
(a) Advance given to Detco Polyester Private Limited	- (-)	25,00,000 (-)	- (-)	- (-)
(b) Refund of advance given to Detco Polyester Private Limited	- (-)	25,00,000 (-)	- (-)	- (-)
(c) Loan taken from Detco Polyester Private Limited	- (-)	- (1,10,000)	- (-)	- (-)
(d) Refund of Loan taken from Detco Polyester Private Limited	- (-)	- (1,10,000)	- (-)	- (-)
(e) Sub-contracting charges paid to NCJ International Limited	- (-)	900,000 (-)	- (-)	- (-)
(f) Salary paid to Usha Singhania	- (-)	- (-)	- (750,000)	- (-)
(g) Car hire charges paid to Usha Singhania	- (-)	- (-)	- (180,000)	- (-)

(h) Professional fees paid to Neha Singhania	- (-)	- (-)	- (-)	- (47,500)
(i) Sale of shares to Industrial Investment Trust Limited	133,869,188 (-)	- (-)	- (-)	- (-)
(j) Sale of shares to Usha Singhania	- (-)	- (-)	3,229,000 (-)	- (-)

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

Name	Nature of transaction	Balance as at 31 st March, 2009	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st March, 2009
			Rupees	Rupees
Loans and advances in the nature of advance to a company in which directors are interested				
Detco Polyester Private Limited	Advance	- (-)	2,500,000 (-)	- (-)

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

(7) Basic earnings per share has been calculated by dividing profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under:

	Year ended 31-03-2009	Year ended 31-03-2008
(a) Numerator: Profit after tax (Rs.)	782,317	2,189,306
(b) Denominator: Weighted average number of equity shares	4,990,900	4,990,900
(c) Basic, as well as diluted, earnings per equity share (in Rs.)	0.16	0.44

(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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, there has been a change in the management / control of the Company with effect from 5th August, 2008.

(10) Since the number of employees are less than ten, provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and The Payment of Gratuity Act, 1972 are not applicable to the Company. Also, there is no defined benefit scheme for compensated absences. Therefore, revised Accounting Standard – 15 "Employee Benefits", notified by the Companies (Accounting Standards) Rules, 2006, is not applicable.

(11) The Company did not have a managing or wholtime director or a manager from 5th August, 2008 till the year end. With effect from 1st April, 2009, Shri. T. M. Nagarajan has been appointed as the Executive Chairman of the Company.

(12) Until the previous year, depreciation was being provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. During the year, the Company changed, with retrospective effect, its method of providing depreciation to written down value method. The impact on account of the change in accounting policy is not material.

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

Signatures to Schedules "A" to "K" For and on behalf of the Board of Directors
 BHAIRAVI KAPADIA Company Secretary T. M. NAGARAJAN Chairman BIPIN AGARWAL Director

Mumbai: 27th June, 2009



IT 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 76th ANNUAL GENERAL MEETING of the Company at M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai - 400 001 on Friday, August 28, 2009 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.



IT 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 76th ANNUAL GENERAL MEETING of the Company to be held on Friday, August 28, 2009 at 3.00 p.m. and at any adjournment thereof.

Signed this Day of 2009

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.