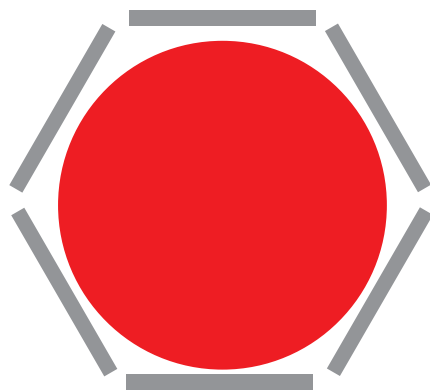


INDUSTRIAL INVESTMENT TRUST LIMITED

2010 - 2011

78th Annual Report



IITL GROUP

CONTENTS

	Page No.
Board of Directors	1
Notice	2 - 4
Directors' Report	5 - 7
Management Discussion and Analysis	8 - 9
Report on Corporate Governance	10 - 15
Auditors' Report on Corporate Governance	16
Auditors' Report	17-19
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22 - 23
Schedules	24 - 41
Summary of Investments	42 - 43
Consolidated Financial Statements	44 - 59
Group Financial Highlights	60

INDUSTRIAL INVESTMENT TRUST LIMITED

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

Ms. 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
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 Eighth Annual General Meeting of the Members of Industrial Investment Trust Limited will be held at **M.C. Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Saturday, September 10, 2011 at 3.00 p.m.** to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2011.
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 Mr. R.K. Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), be and are hereby re-appointed as Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them”.

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : July 27, 2011

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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 03, 2011 to Saturday, September 10, 2011 (both days inclusive).
3. The dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be payable on or before October 09, 2011 to those shareholders or their mandates whose names stand on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before September 02, 2011 and in respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for the purpose as on the close of business hours on September 02, 2011.
4. 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.
5. 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.

6. 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.
7. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
8. 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.
9. 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.
10. 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 09, 2010 for the year ended March 31, 2003 to the IEPF Account of the Central Government. Members who have not encashed their divided warrants for the year 2003-2004 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.**
11. 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 (RTA) of the Company.
12. Pursuant to the Circular No.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs on '**Green Initiative in Corporate Governance**', Shareholders are requested to duly communicate their e-mail Id's to their respective DPs or RTA of the Company (**A perforated form being attached in the Annual Report for the same**).

**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	Mr. Bipin Agarwal	Mr. R.K. Mittal
Date of Birth	01.11.1965	05.05.1944
Nationality	Indian	Indian
Date of Appointment	08.01.2008	16.10.2008
Qualifications	B.Com. (Hons.), FCS	B.Com, FCA
Expertise in specific functional areas	He has around 17 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.	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.
Directorships held in other companies	<ol style="list-style-type: none"> 1. Nimbus (India) Limited 2. Nimbus Projects Limited 3. Nimbus Propmart Limited 4. Nimbus Multi Commodity Brokers Limited 5. N.N. Financial Services Private Limited 6. Urvashi Finvest Limited 7. Gupta Fincaps Private Limited 8. Seven Star Buildwell Private Limited (Under dissolution Process) 9. IITL Projects Limited 10. IIT Insurance Broking and Risk Management Private Limited 11. IIT Investrust Limited 12. IIT Media and Entertainment Private Limited 13. Capital Infra Projects Private Limited 14. World Resorts Limited 	<ol style="list-style-type: none"> 1. CS Enterprises Private Limited 2. Vithal Finvest and Consultants Private Limited 3. Elegant Marbles & Grani Industries Limited 4. Mumbai Vaish Seva Sansthan - (Incorporated under section 25 of the Companies Act, 1956.) 5. Market Entry Solutions Private Limited 6. Pradeep Metals Limited 7. IITL Projects Limited 8. IIT Investrust Limited
Committee position held in other companies	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. IIT Investrust Limited 2. IIT Insurance Broking and Risk Management Private Limited 3. World Resorts Limited 	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited 2. Pradeep Metals Limited 3. IITL Projects Limited 4. IIT Investrust Limited <p>Share Transfer and Grievance Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited 2. IITL Projects Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Elegant Marbles & Grani Industries Limited 2. IITL Projects Limited
No. of shares held in the company	25,000	NIL

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

Cumi Banerjee
CEO & Company Secretary

Mumbai : July 27, 2011

Registered Office :

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

**DIRECTORS' REPORT**

Your Directors are pleased to present the Seventy Eighth Annual Report of the Company, together with the Audited Statements of Accounts for the year ended March 31, 2011.

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
FINANCIAL RESULTS		
(a) Total Income	<u>1020.06</u>	<u>1942.91</u>
Profit before Depreciation	599.48	1718.42
Less : Depreciation	<u>4.74</u>	<u>7.51</u>
Profit before Tax	594.74	1710.91
Less : Provision for Tax	<u>188.47</u>	<u>333.16</u>
	406.27	1377.75
Add : Balance of Profit brought forward from the previous year	<u>3103.16</u>	<u>2244.78</u>
Amount available for appropriation	3509.43	3622.53
(b) From this, the Directors have transferred to:		
Special Reserve	81.26	275.56
General Reserve	20.32	68.89
(c) The Directors recommend payment of Dividend at the rate of Rs.1.50 per share (previous year Rs.1.50 per share) on 1,00,00,000 shares of Rs. 10/- each which will absorb	150.00	150.00
Tax on proposed Dividend	24.92	24.92
(d) Leaving a balance to be carried forward	<u>3232.93</u>	<u>3103.16</u>

OPERATING RESULTS:

The Company has earned pre-tax profit of Rs. 594.74 lakhs during the year as compared to Rs.1710.91 lakhs in the previous year. The profitability has been impacted mainly due to lower interest income of Rs. 226.38 lakhs (Rs.279.68 lakhs in the previous year), lower net profit from sale of investments of Rs. 9.75 lakhs (Rs. 146.20 lakhs in the previous year) and reversal of provisions made towards doubtful loans, diminution in value of investments and write down of value of fixed assets, aggregating to Rs.607.08 lakhs only (Rs.1357.39 lakhs in the previous year). Moreover, a provision of Rs.173.94 lakhs has been made towards diminution in the value of investments during the year as compared to Nil in previous year.

DIVIDEND

Your Directors are pleased to recommend payment of dividend of Rs.1.50 per equity share of Rs.10/- each (15%) on the Equity Share Capital of the Company. The dividend together with the tax on dividend, will absorb a sum of Rs.174.92 lakhs.

LISTING OF EQUITY SHARES OF THE COMPANY ON National Stock Exchange of India Limited

The Company received approval from National Stock Exchange of India Limited on August 13, 2010 for Listing of its Equity Shares with effect from August 17, 2010.

INVESTMENTS

Your Company is an investment company, with a long term view of its portfolio. Besides making investments in quoted and unquoted securities, the Company makes investments in fixed deposits with renowned banks, units of mutual funds and inter-corporate deposits.

Investment portfolio is reviewed periodically and appropriate restructuring is done keeping in mind the market environment. Since mutual funds are subject to market risks and prone to risk due to fluctuation in NAVs, the proper assessment is done while making investments in mutual funds.

The details of the Company's investments, including a portfolio summary and analysis of securities held are given in Schedule "D" to the Balance Sheet as on March 31, 2011.

Due to the global financial crisis and a sharp decline in the domestic capital markets, there was erosion in the value of the Company's investment portfolio. As a result of this, the market value of the Company's quoted investments as on March 31, 2011 was Rs.2579.62 lakhs, as compared to its cost of Rs.3772.57 lakhs. However total provision of Rs. 621.85 lakhs made towards diminution in value of investments has been considered adequate in view of inherent strength of the investments in mid to long term period. During the year, the Company invested Rs.1016.75 lakhs in shares / mutual funds and sold / redeemed shares / mutual funds for value of Rs.643.91 lakhs.

SUBSIDIARY COMPANIES**IIT Investrust Limited (IITIL)**

IITIL undertakes Stock Broking and Depository operations. It has also commenced arbitrage operations. It is in the process of launching research set-up and is planning to open offices in other parts of the country. It has initiated the process of obtaining Institutional Empanelment. It also provides Advisory and Consultancy services to various body corporates for loan syndication and allied matters.

IITL Projects Limited – (IITLPL) (Formerly known as Indo Green Projects Limited)

IITLPL is into the business of Real Estate and engaged in developing Housing Projects. It has acquired plots of land under Builders Residential scheme of the Greater Noida Industrial Development Authority and has also entered into Special Purpose Vehicle (SPV) / Joint Venture (JV) with other body corporates for development of residential flats.



Currently, IITLPL has in its fold the following five projects:

1. Express Park View: IITLPL acquired land at Plot No. A, Sector CH V, Greater Nodia admeasuring 10043.31 sq. mts. for flatted residential development.
2. The Hyde Park: IITLPL has entered into Special Purpose Partnership Firm with Nimbus Projects Ltd. and Supertech Ltd. under the name "IITL Nimbus The Hyde Park" and has acquired plot of land admeasuring 60348.53 sq. mts. at Sector 78, Noida for development of residential flats.
3. The Golden Palm: IITLPL alongwith Nimbus Project Limited acquired the equity shareholding of Capital Infra Projects Pvt. Ltd. in equal proportion to form a JV under the name "IITL Nimbus The Golden Palm" for construction of residential houses. The project is situated at Plot No. GH-01/E, Sector 168, Noida admeasuring 39999.76 sq. mts.
4. The Express Park View II: IITLPL has entered into partnership with Nimbus Projects limited, Assotech Limited under the partnership firm "IITL Nimbus The Express Park View". The project is situated at Plot No. GH-03, Sector CHI-V, Greater Noida admeasuring 52493.16 sq. mts. The land has been allotted and acquired on lease hold basis for 90 years from Greater Noida authority. The project is located on Yamuna Express way and is undertaken for residential development.
5. Palm Village: IITLPL has entered into partnership with Nimbus Projects limited, Assotech Limited under the partnership firm "IITL Nimbus The Palm Village". The project is situated at Plot No. GH-03, Sector 22A, Greater Noida admeasuring 97585 sq. mts.

The development / construction work has been started on all the plots after obtaining necessary permission and clearances.

IIT Insurance Broking and Risk Management Private Limited (IIBRMPL)

During the year, IIBRMPL has widened its network and its total number of operational offices at the year end stands at 16 and it has 264 employees on the pay roll.

During the year, it has organized 38 insurance awareness camps in various parts of the country in order to promote Life and Non-Life insurance business. It is in the process of obtaining ISO certification through M/s Manas Consultancy.

IIT Media and Entertainment Private Limited (IMEPL)

Considering the uncertain conditions prevailing in the media and entertainment industry, IMEPL has filed a Capital Reduction

Petition with the High Court of Judicature at Mumbai for Reduction of its share capital. The matter will be listed for hearing in due course.

INVESTMENTS IN WORLD RESORTS LIMITED (WRL)

The Company has made investment of Rs. 1551.81 lakhs towards acquisition of 25% in equity of an unlisted public company, World Resorts Limited, which is into the business of hospitality and has a five star hotel by the name "Golden Palms Hotel & Spa" at Tumkur Road, Bangalore. WRL has vast potential and the investment in this Company is expected to be fruitful in the medium term.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of its subsidiary companies to its Annual Report. A general exemption from complying with the provision of Section 212 of the Companies Act, 1956 has been granted by the Ministry of Corporate Affairs to the companies vide its Circular No. 2/2011 dated February 8, 2011, provided that the company complies with the conditions stated in the circular. The Company has complied with all the conditions stated in the said circular for the financial year 2010-11 for availing the said exemption. The Annual Report, therefore, does not contain the reports and other statements of the subsidiary companies. Upon request, the Company will make available the annual audited accounts and related information of the subsidiary companies to the investors of the Company. These documents will also be available for inspection during business hours at the registered office of the Company.

As required by Accounting Standard – 21 and Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of the Company and its subsidiaries are attached.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 205C of the Companies Act, 1956, a sum of Rs.4,75,808/- lying with the Company as unclaimed dividend for the year 2002 – 2003 i.e. for a period of seven years from the date they became due for payment were transferred during the period under review to the Investor Education and Protection Fund.

DIRECTORS

Appointment

In accordance with the provisions of the Companies Act, 1956, Mr. Bipin Agarwal and Mr. R.K. Mittal, 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.

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.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and have expressed their willingness for appointment and confirmed that their appointment, if made, will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

You are requested to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of the 78th Annual General Meeting until the conclusion of the 79th Annual General Meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, forming part of this report, as required under Clause 49(IV)(F) of the Listing Agreement with the Stock Exchanges, is attached separately in this Annual Report.

CORPORATE GOVERNANCE

Your Company has been practising the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company, in terms of Clause 49(VI) of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this 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, 2011;
- (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.

ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from business associates, banks, financial institutions, shareholders, various statutory authorities and society at large. Your directors also place on record, their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

On behalf of the Board of Directors,

Dr. B. Samal
Chairman

Mumbai
Date: July 27, 2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC SCENARIO:

Global economic activity has recovered slowly but steadily in the calendar year 2010 after the sharp deceleration of growth in 2008 and the contraction in 2009. However, the fear of emerging high oil prices is the biggest threat to the growth. The growth is also largely impacted due to surge in commodity prices and monetary tightening in emerging market economies to contain inflationary pressures. The sovereign debt crisis in countries like Greece, Portugal and Ireland posed serious challenges for the stability in the entire Euro area. The increasing high levels of government debt in other advanced countries also added to the uncertainty around the fiscal consolidation and its impact on the international financial markets. The crisis further aggravated due to spill over effects from Japanese natural disasters. IMF has projected a slower growth in global GDP at 4.4% in 2011 vis-à-vis 5.0% growth recorded a year ago.

THE INDIAN ECONOMY:

The Indian economy has been on the growth path, though the last quarter of financial year 2010-11 witnessed a marginal slow down. The overall growth in GDP clocked 8.6% in 2010-11 as against 8% in financial year 2009-10. Agricultural growth was higher, following a good monsoon. The index of industrial production (IIP), which grew by 10.4% during the first half of 2010-11, moderated subsequently, bringing down the overall growth for April-February 2010-11 to 7.8% whereas service sector posted a growth of 9.9%. However, continuing inflation level has been a cause of concern. There was hardening of interest rates and high price spirals during the financial year 2010-11. In an effort to contain inflation, Reserve Bank of India increased the Repo and Reverse Repo rates eight times during the financial year.

INDIAN CAPITAL MARKETS:

The calendar year 2010 was the year of the "E"s. Equity markets across the world delivered positive returns in 2010, even though sovereign issues in Europe caused periods of market volatility. Bombay Stock Exchange's (BSE) Sensitivity Index (Sensex) has been range bound this year hovering around 17,000 - 20,000. Indian stocks breezed past the psychological level of 20,000 after 32 months on Tuesday, September 21, 2010 after its peak of 21206.77 on January 10, 2008. Retail investors were on a selling spree. Mutual funds were facing redemption from retail investors looking for a profitable exit after a gap of nearly three years. In September 2010, investors pulled out about Rs. 7011 Crore from equity mutual fund schemes to book profits

Primary markets financing reached record levels, including the largest ever initial public offering (IPO) for COAL INDIA, while secondary markets improved. 2010- 11 has been another record year for the Indian capital markets with 124 IPOs (Initial Public Offerings) and FPOs (Follow on Public Offerings) and 41 QIPs (Qualified Institutional Placements). Global funds have invested close to an estimated amount of \$ 16 billion in Indian equities this year.

BUSINESS PERFORMANCE:

The activities of the Company comprise of investment in equity shares, quoted as well as unquoted, units of mutual funds, fixed deposits with renowned banks and inter-corporate deposits. The Company also undertakes stock based arbitrage trading. The Board of Directors is constantly apprised of the investments of the Company and monitors the deployment of the resources judiciously. However, the investment portfolio of the Company during the year has been impacted due to high volatility and unpredictable nature of the capital markets. The Company is re-structuring and re-aligning its portfolio after making proper assessment of the fundamentals and the future prospects of the investee companies.

The Company is also aggressively following the performance of its subsidiaries. Its subsidiary IITL Projects Limited has undertaken five projects for construction of residential flats under the Greater Noida Authority scheme of its own as well as through joint ventures. Its subsidiary IIT Insurance Broking and Risk Management Pvt. Ltd. is expanding its business and has opened 16 branches across the country to achieve its business targets for Life and Non-Life Insurance. Its subsidiary IIT Investtrust Limited is also aggressive into with its stock broking business and consultancy services. The Company also undertakes arbitrage operations.

The Company has made investment of Rs. 1551.81 lakhs towards acquisition of 25% in equity of an unlisted public Company, World Resorts Limited, which is into the business of hospitality and has a five star hotel by the name "Golden Palms Hotel & Spa" at Tumkur Road, Bangalore. This Company has vast potential and the investment in this Company is expected to be fruitful in the medium term.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The Company is exposed to specific risks that are particular to its business and the environment, within which it operates, including interest rate volatility, economic cycle, market risk and credit risk. Besides that the equity markets are extremely volatile due to numerous factors like economic trends, government policies, capital flows, inflation etc. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices. The value of investments may be affected by these factors. However in this environment of rising inflation, tightening monetary policy and the consequent hardening interest rates, the Company treads cautiously by focusing and taking decisions judiciously.

FINANCIAL PERFORMANCE:

The Company has earned a profit after tax of Rs. 406.27 lakhs during the year compared to profit of Rs. 1377.75 lakhs during the previous year. The profit is lower mainly due to lower interest income of Rs. 226.38 lakhs as compared to (Rs.279.68 lakhs in the previous year), lower net profit from sale of investments of Rs.9.75 lakhs (Rs. 146.20 lakhs in the previous year) and reversal of provisions made towards doubtful loans, diminution in value of investments and write down of value of fixed assets, aggregating to Rs.607.08 lakhs (Rs.1357.39 lakhs in the previous



year). Moreover, a provision of Rs. 173.94 lakhs has been made towards diminution in the value of investments during the year as compared to Nil in previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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. The Management ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls.

OUTLOOK:

Overall, global growth is projected to ease from 3.8% in 2010 to 3.2% in 2011, before picking up to 3.6% in each of 2012 and 2013. Growth in the high-income countries is expected to remain broadly stable at around 2.5% through 2013, despite a gradual withdrawal of the substantial fiscal and monetary stimulus introduced following the financial crisis to prevent a more serious downturn.

The Indian economy is estimated to have grown by 8.6% during the year 2010-11. High oil and other commodity prices and the impact of the Reserve Bank's anti-inflationary monetary stance will moderate growth. Assuming a normal monsoon and crude oil prices at reasonable level, the projection of real GDP growth for 2011-12 is estimated to be around 8%. Inflation will remain a primary macroeconomic concern.

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: July 27, 2011

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

2. BOARD OF DIRECTORS

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

Sr. No	Name of the Directors	Category	No. of other Directorships held*	No. of Committee Memberships of other Companies#	No. of Committee Chairmanships of other Companies^
1	Dr. B. Samal	NI / E Executive Chairman	11	5	3
2	Mr. Bipin Agarwal	NI / NE Promoter	8	2	Nil
3	Mr. T.M. Nagarajan	NI / NE	5	2	1
4	Mr. R.K. Mittal	I / NE	4	3	3
5	Mr. R.S. Loona	I / NE	3	3	1
6	Mr. Venkatesan Narayanan	I / NE	1	2	Nil
7	Mr. P.K. Rath	I / NE Representative of LIC of India	Nil	Nil	Nil

NI - Non Independent Director

I - Independent Director

NE - Non-Executive Director

E - Executive Director

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

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

^ Chairmanship does not include Committee memberships.

Board Meetings and Annual General Meeting

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

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

October 20, 2010, October 27, 2010, December 20, 2010, January 08, 2011 and February 03, 2011 in Mumbai.

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

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Dr. B. Samal	9	Yes
Mr. Bipin Agarwal	8	Yes
Mr. T.M. Nagarajan	9	Yes
Mr. R.K. Mittal	9	Yes
Mr. R.S. Loona	9	Yes
Mr. Venkatesan Narayanan	8	Yes
Mr. P.K. Rath	3	Yes

3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors:

a) Audit Committee:

The Audit Committee was constituted on March 14, 2001. It was last reconstituted on October 12, 2009.

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

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

During the year under review, five meetings of the Audit Committee were held, the dates being April 15, 2010, May 29, 2010, July 20, 2010, October 20, 2010 and February 3, 2011.

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

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Mr. R.K. Mittal	Chairman	5
Mr. T.M. Nagarajan	Member	5
Mr. R.S. Loona	Member	5
Mr. P.K. Rath	Member	2

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

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

**b) Remuneration Committee (Non-Mandatory):**

Company constituted a Remuneration Committee on June 19, 2002 consisting of three Non – Executive and Independent Directors, which was subsequently dissolved on June 11, 2004 and reconstituted on January 13, 2005. The Committee was last reconstituted on October 12, 2009.

Main functions of the Remuneration Committee include recommendation to the Board of Directors, salary, perquisites, commission and retirement benefits and finalisation of package payable to the Company's Managing or Whole-Time Directors.

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

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

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

The Board in its meeting held on April 17, 2009 accorded its consent for the re-designation of Dr. B. Samal as Executive Chairman for a period of three years with effect from April 1, 2009.

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

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

Name	Salary	Perquisites	Contribution to P.F and other funds including Gratuity settlement	Total
	Rs.	Rs.	Rs.	Rs.
Dr.B.Samal	21,00,000	—	2,52,000	23,52,000/-

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

Sitting Fees

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

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

Mr. Bipin Agarwal holds 25,000 equity shares in the Company and none of the remaining Directors hold any equity shares of the Company as on March 31, 2011.

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

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

This Committee:

- (1) approves and monitors transfers, transmissions, splitting and consolidation of shares and the issue of duplicate certificates; and
- (2) looks into various issues relating to shareholders, including redressing of complaints received from shareholders, relating to transfer of shares, non-receipt of balance sheets, dividends etc. The committee was re-constituted on April 15, 2010. The committee as on March 31, 2011 consists of 4 members, namely:

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

To expedite share transfer process, the Board has authorised the Company Secretary of the Company to approve share transfer / transmissions up to one thousand shares. Share transfers for more than one thousand shares are approved by the STIGC. During the year, 6 meetings were held. Transfer formalities have been attended at least once in a fortnight.

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

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

d) Risk Management Committee (RMC)

The Board of Directors had constituted Risk Management Committee on June 2, 2006. It was last reconstituted on



January 16, 2010. The Committee as on March 31, 2011 consists of 3 members, namely:

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

The objective of this Committee is to identify the risk and control it through means of properly defined framework. The Committee regularly reviews the procedures for risk assessment and minimisation and the Board is informed accordingly.

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

4. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management Discussion and Analysis

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

Subsidiary Companies

Under clause 49 of the Listing Agreement, an Independent Director of the Company is required to be inducted as Director on the Board of the material non - listed Indian subsidiaries.

Mr. R.K. Mittal w.e.f June 27, 2009 has been inducted as Director of IIT Investtrust Limited (material subsidiary). Further, Mr. R.S. Loona has been inducted as Director of IIT Insurance Broking and Risk Management Private Limited and IIT Media and Entertainment Private Limited (non-material subsidiaries).

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

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

Disclosures – Related party transactions

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

Disclosure of Accounting Treatment

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

Disclosure on Risk Management

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

Code of Conduct

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

CEO Certification

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

This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 30, 2011.

5. GENERAL BODY MEETINGS

Location and time where last three AGMs were held :

Sr. No.	Date	Location	Time	Special Resolution passed
1	September 17, 2010	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.30 p.m.	1) Alteration of Articles of Association of the Company 2) Approval under Section 81(1A) of the Companies Act, 1956
2	August 28, 2009	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.00 p.m.	Nil
3	September 27, 2008	M.C. Ghia Hall, 18/20, K. Dubash Marg Mumbai – 400 001	3.00 p.m.	Approval for payment of remuneration/ commission to Non-Executive Directors of the Company

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

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

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

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

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



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

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

6. OTHER DISCLOSURES:

- There were no materially significant transactions with the related parties during the year, which had or could have potential conflict with the interests of the company at large. Transactions with the related parties are disclosed in Note Number 5 of Schedule J to the accounts in the Annual Report.
- No penalties or strictures have been imposed on the Company by SEBI, Stock Exchange or any other statutory authority, for non-compliance of any laws, on any matter related to the capital markets, during the last three years.
- There are no inter-se relationships between Directors of the Company.

7. MEANS OF COMMUNICATIONS

- Quarterly and Annual financial results of the company are forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and published in Free Press Journal (English) and Navshakti (Marathi). Half yearly report is not sent to each household of shareholders. However, the results of the company are published in the Newspapers.
- The Company has not made any presentation to any institutional investors or to any analysts during the year.
- All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.
- The Company has launched its website www.iitlgroup.com. Annual Report of the Company shall be available on the website in a user friendly and downloadable form. The quarterly / half yearly results are also available on the website www.corpfiling.co.in, the Corporate Filing and Dissemination System (CFDS) portal jointly owned managed and maintained by BSE and NSE which is a single source to view information filed by listed companies with the stock exchange.

8. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

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

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

b) Financial Calendar : 2011-2012

Adoption of Quarterly Results for

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

(Audited annual results)

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

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

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

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

f) Stock Code at BSE : 501295

NSE Stock Symbol : IITL

g) Stock price data at the NSE and BSE

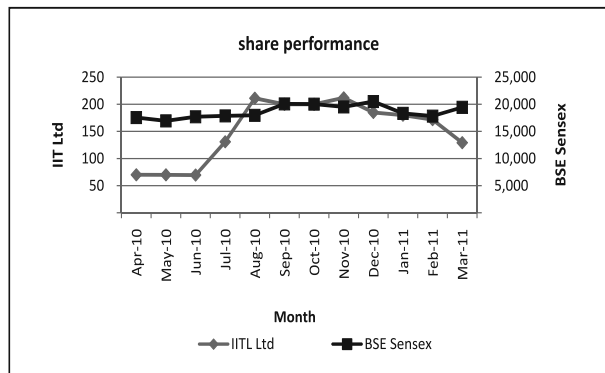
Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	N.A.	N.A.	89.70	57.00
May, 2010	N.A.	N.A.	70.00	55.35
June, 2010	N.A.	N.A.	81.10	59.00
July, 2010	N.A.	N.A.	136.00	68.20
August, 2010 *	229.25	182.90	230.00	128.25
September, 2010	227.00	190.00	233.90	191.00
October, 2010	210.00	200.00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

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

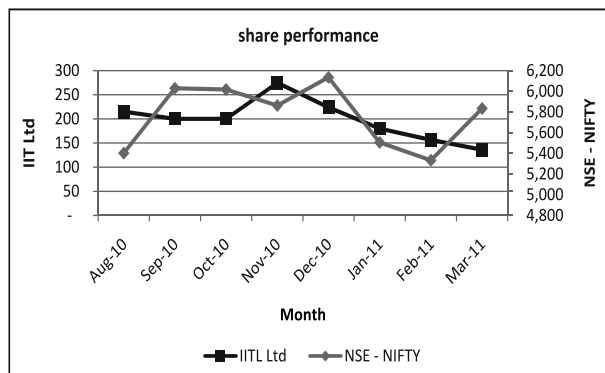


h) Graph

Share Price / BSE (Monthly Closing)



Share Price / NSE (Monthly Closing)



i) Registrar and Transfer Agents

Link Intime India Private Limited

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

j) Share Transfer System

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

k) Distribution of shareholding as on March 31, 2011

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

Shareholding pattern as on March 31, 2011

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	65,51,387	65.51
Foreign Company	-	-	-
Non Resident (Individual & Companies)	33	91,111	0.91
Foreign Institutional Investors	-	-	-
Insurance Companies	3	12,43,311	12.43
Financial Institutions / Banks	17	1,19,150	1.19
Mutual Funds	-	-	-
Central Government / State Government(s)	2	37,200	0.37
Resident Individuals	2,094	15,67,291	15.67
Clearing Member	19	16,520	0.17
Trust	5	45,500	0.46
Other bodies corporate	74	3,28,530	3.29
TOTAL	2253	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, 2011, a total of 90,09,839 shares, which form 90.10 % of the share capital of the Company stands dematerialized and 9,90,161 shares which form 9.90% of the share capital are in physical form.



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

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

n) Plant Location

The Company does not have a manufacturing plant

o) Address for Correspondence

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

Address of the Registrar & Share Transfer Agents

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

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

Address of Registered Office

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

Contact Person

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

Auditor's Certificate on Corporate Governance

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

Declaration on Compliance with Code of Conduct

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

On behalf of the Board of Directors

Dr. B. Samal
Chairman

Place : Mumbai
Date: July 27, 2011



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, 2011 as stipulated in Clause 49 of the Listing Agreements of the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India 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
(Registration No. 117365W)

Z. F. Billimoria

Partner
(Membership No. 42791)

Mumbai: 27th July, 2011

**AUDITORS' REPORT****TO THE MEMBERS OF INDUSTRIAL INVESTMENT TRUST LIMITED**

1. We have audited the attached Balance Sheet of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company") as at 31st March, 2011, 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. Those 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) 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, 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 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, 2011;
 - (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.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Z. F. Billimoria
Partner

MUMBAI, 30th May, 2011

(Membership No. 42791)

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/result, transactions etc., clauses (ii), (vi), (viii), (x), (xi), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) According to the information and explanations given to us, no loans secured or unsecured, have been granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (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 with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (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 in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction 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 at the relevant time, except in respect of payments made for certain services for which comparable quotations are not available owing to their nature and in respect of which we are unable to comment.
- (vi) 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.
- (vii) 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 Provident Fund, Investor Education and Protection Fund, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Wealth Tax which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
The Income-tax Act, 1961	Income tax	Income-tax Appellate Tribunal	A.Y.1995-96 and A.Y.1996-97	5,990,423
The Wealth tax Act, 1957	Wealth tax	High Court, Mumbai	A.Y.1997-98	3,250,246

(viii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(ix) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the 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.

(x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Z. F. Billimoria
Partner

MUMBAI, 30th May, 2011

(Membership No. 42791)

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	742,331,443	719,195,712
		842,331,443	819,195,712
(2) DEFERRED TAX LIABILITY (See Note 7)		1,019,221	1,267,301
Total		843,350,664	820,463,013
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS			
(a) Gross block	"C"	14,231,503	14,185,923
(b) Less: Depreciation		9,428,805	8,969,377
(c) Net block		4,802,698	5,216,546
(d) Less: Provision for write down in value of fixed assets		-	2,002,576
		4,802,698	3,213,970
(2) INVESTMENTS	"D"	564,658,080	485,061,640
(3) CURRENT ASSETS, LOANS AND ADVANCES			
(a) Sundry debtors	"E"	672,269	-
(b) Cash and bank balances		26,902,782	199,872,564
(c) Other current assets		1,082,938	6,169,159
(d) Loans and advances		282,700,028	176,487,705
		311,358,017	382,529,428
Less: CURRENT LIABILITIES AND PROVISIONS	"F"		
(a) Current liabilities		17,878,670	17,546,912
(b) Provisions		19,589,461	32,795,113
		37,468,131	50,342,025
NET CURRENT ASSETS		273,889,886	332,187,403
Total		843,350,664	820,463,013
NOTES TO THE ACCOUNTS			
The schedules referred to above form an integral part of the Balance Sheet			

In terms of our report attached.

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

Mumbai: 30th May, 2011

For and on behalf of the Board of Directors

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

Mumbai: 30th May, 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
INCOME			
Dividend income on long term investment-other than trade		1,928,496	2,264,646
Interest	"G"	22,637,649	27,968,416
Rent on immovable property		15,714,816	13,664,340
Net profit on trading in equity shares		37,851	-
Net profit on sale of long term investments		974,941	14,620,472
Provision for doubtful loans and interest accrued no longer required		-	54,318,408
Provision for diminution in value of investments no longer required		58,705,000	81,420,602
Provision for write down in value of fixed assets no longer required		2,002,576	-
Miscellaneous		5,117	33,651
Total		102,006,446	194,290,535
EXPENDITURE			
Personnel expenses	"H"	7,510,076	7,459,406
Operating and other expenses	"I"	16,821,417	12,986,162
Provision for diminution in value of investments		17,393,897	-
Contingent Provisions against Standard Assets		141,115	-
Loss from trading of Equity Stock Futures		191,598	-
Depreciation on fixed assets	"C"	463,238	739,309
Provision for write down in value of fixed assets		-	2,002,576
Depreciation on investment in immovable property		11,101	11,685
Total		42,532,442	23,199,138
PROFIT BEFORE TAXATION		59,474,004	171,091,397
Provision for taxation			
- Current tax		(15,144,000)	(25,800,000)
- Deferred tax (See Note 7)		248,080	285,452
- Income-tax adjustment for prior years		(3,950,853)	(7,801,683)
PROFIT AFTER TAXATION		40,627,231	137,775,166
Add: Balance brought forward from last year		310,315,904	224,477,238
AMOUNT AVAILABLE FOR APPROPRIATIONS		350,943,135	362,252,404
Less: Appropriations			
Transfer to Special Reserve		8,126,000	27,556,000
Proposed dividend		15,000,000	15,000,000
Tax on dividend		2,491,500	2,491,500
Transfer to General Reserve		2,032,000	6,889,000
BALANCE CARRIED TO BALANCE SHEET		323,293,635	310,315,904
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.)(See Note 4)		4.06	13.78
Nominal value per equity share (Rs.)		10.00	10.00

In terms of our report attached.

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered AccountantsDR. B. SAMAL
ChairmanBIPIN AGARWAL
DirectorZ. F. BILLIMORIA
PartnerCUMI A. BANERJEE
CEO & Company Secretary

Mumbai: 30th May, 2011

Mumbai: 30th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	59,474,004	171,091,397
Adjustments for:		
Depreciation on fixed assets	463,238	739,309
Depreciation on investment on immovable property	11,101	11,685
Interest income	(22,637,649)	(27,968,416)
Provision for doubtful loans and interest accrued no longer required	-	(54,318,408)
Loss on write off of fixed assets	23,580	485,426
Interest on income tax	105,353	1,080,000
Provision for compensated absences	(25,615)	220,824
Provision for diminution in value of investments no longer required	(58,705,000)	(81,420,602)
Provision for diminution in value of investments	17,393,897	-
Provision/(Reversal of provision) of write down in value of fixed assets	(2,002,576)	2,002,576
Contingent Provisions against Standard Assets	141,115	-
Net profit on trading in equity shares	(37,851)	-
Net profit on sale of long term investments	(974,941)	(14,620,472)
Operating loss before working capital changes	(6,771,344)	(2,696,681)
(Decrease) / Increase in current liabilities	190,643	(408,612)
Decrease / (Increase) in sundry debtors	(672,269)	107,280,553
Decrease / (Increase) in advances and other current assets	(65,260,134)	2,072,920
Other adjustments :		
Purchase of long term investments	(101,674,781)	(293,637,182)
Sale of long term investments	64,391,130	252,232,002
Advance for investments	(143,260,851)	-
Loans granted	(85,000,000)	(96,000,000)
Repayment of loans	180,222,468	99,595,940
Interest received	24,485,497	26,066,847
Cash flow from operations	(133,349,639)	94,505,787
Direct taxes paid	(22,055,673)	(8,321,815)
Cash flow from operating activities	(155,405,312)	86,183,972
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(72,970)	(45,905)
Net cash used in from investing activities	(72,970)	(45,905)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proposed dividend	(15,000,000)	(10,000,000)
Tax on proposed dividend	(2,491,500)	(1,699,500)
Net cash used in financing activities	(17,491,500)	(11,699,500)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(172,969,782)	74,438,567

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs
D. CASH AND CASH EQUIVALENTS		
As at the commencement of the year, as per Schedule E	199,872,564	125,433,997
As at the end of the year, as per Schedule E (See Note 2 below)	26,902,782	199,872,564
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	<u>(172,969,782)</u>	<u>74,438,567</u>

Note:

- 1 Investment and leasing are the principal business activities of the Company and therefore the cash flow relating to them is included under operating activities.
- 2 Includes an amount of Rs.2,769,486 (previous year Rs.3,271,287) being balance in Unpaid dividend accounts.
- 3 Previous year figures have been regrouped wherever necessary.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Z. F. BILLIMORIA
Partner

Mumbai: 30th May, 2011

For and on behalf of the Board of Directors

DR. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai: 30th May, 2011



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs
SCHEDULE "A"		
SHARE CAPITAL		
Authorised:		
35,000,000 (previous year 15,000,000) Equity shares of Rs.10 each	<u>350,000,000</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>
(See Note 12)		
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	<u>166,780,058</u>	159,891,058
Add: Transferred from Profit and Loss Account	<u>2,032,000</u>	<u>6,889,000</u>
	<u>168,812,058</u>	<u>166,780,058</u>
Special Reserve (as per the RBI regulations)		
Balance as per last Balance Sheet	<u>242,099,000</u>	214,543,000
Add: Transferred from Profit and Loss Account	<u>8,126,000</u>	<u>27,556,000</u>
	<u>250,225,000</u>	<u>242,099,000</u>
Balance in Profit and Loss Account	<u>323,293,635</u>	310,315,904
Total	<u><u>742,331,443</u></u>	<u><u>719,195,712</u></u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs
SCHEDULE "D"		
INVESTMENTS :		
I) Long term (at cost)		
Trade Investments (details as per supporting schedule)		
Unquoted		
Equity shares in subsidiary companies, fully paid-up	143,910,000	142,410,000
Less: Provision for diminution in the value of investments	-	(58,705,000)
	<u>143,910,000</u>	<u>83,705,000</u>
Quoted		
Equity shares in a subsidiary company, fully paid-up	136,123,073	136,123,073
(i)	<u>280,033,073</u>	<u>219,828,073</u>
Other Investments (details as per supporting schedule)		
Unquoted:		
Units of Mutual Fund, fully paid-up	95,543,847	82,153,768
Less: Provision for diminution in the value of investments	(2,000,000)	-
	<u>93,543,847</u>	<u>82,153,768</u>
Equity shares, fully paid-up	11,920,399	-
Quoted:		
Equity shares, fully paid-up	232,966,130	229,648,581
Less: Provision for diminution in the value of investments	(62,184,701)	(46,790,804)
(ii)	<u>170,781,429</u>	<u>182,857,777</u>
	<u>276,245,675</u>	<u>265,011,545</u>
Immovable property		
Cost	1,069,071	1,069,071
Less: Depreciation to-date	858,150	847,049
(iii)	<u>210,921</u>	<u>222,022</u>
II) Current Investments (at lower of cost and fair value)		
Quoted (details as per supporting schedule)		
Equity shares, fully paid-up	8,168,411	-
(iv)	<u>8,168,411</u>	<u>-</u>
Total (i)+(ii)+(iii)+(iv)	<u><u>564,658,080</u></u>	<u><u>485,061,640</u></u>
Aggregate amount of quoted investments [Market value Rs.257,962,321; (previous year Rs.254,848,762)]	315,072,913	318,980,850
Aggregate amount of unquoted investments	249,374,246	165,858,768
Immovable property	210,921	222,022
Total	<u><u>564,658,080</u></u>	<u><u>485,061,640</u></u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs
SCHEDULE "E"		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Sundry Debtors (unsecured, considered good):		
Outstanding for a period less than six months	672,269	-
	<u>672,269</u>	<u>-</u>
(b) Cash and bank balances:		
Cash on hand	17,578	13,254
Cheques on hand	558,078	-
With Scheduled banks:		
- On Current account	3,057,640	6,160,374
- On Unpaid dividend account	2,769,486	3,271,287
- On Fixed deposit account	20,500,000	190,427,649
	<u>26,902,782</u>	<u>199,872,564</u>
(c) Other current assets (considered good, unless otherwise stated):		
Investment income receivable	-	393,272
Interest accrued on bank deposits	136,770	2,348,710
Interest accrued on loan:		
- to subsidiaries	945,961	1,984,712
- to others (considered doubtful:Rs.151,315; previous year Rs.151,315)	151,522	1,593,780
	<u>1,234,253</u>	<u>6,320,474</u>
Less: Provision for doubtful interest	<u>(151,315)</u>	<u>(151,315)</u>
	<u>1,082,938</u>	<u>6,169,159</u>
(d) Loans and advances (unsecured, considered good, unless otherwise stated):		
Loans to subsidiaries	55,500,000	100,722,468
Loans to others [includes Rs. Nil (previous year Rs.50,000,000) secured by way of pledge of shares] (considered doubtful: Rs.87,848,000; previous year Rs.132,610,131)	87,848,000	182,610,131
	<u>143,348,000</u>	<u>283,332,599</u>
Less: Provision for doubtful loans	<u>(87,848,000)</u>	<u>(132,610,131)</u>
	<u>55,500,000</u>	<u>150,722,468</u>
Advances recoverable in cash or in kind or for value to be received:		
- to subsidiaries	47,944,073	16,296
- to others	21,614,909	4,939,280
Advance for Investments	143,260,851	-
Advance payment of income tax (net of provision)	13,330,195	20,809,661
Initial Margin - Equity Stock Futures Account-with subsidiary	1,050,000	-
	<u>282,700,028</u>	<u>176,487,705</u>
Total	<u><u>311,358,017</u></u>	<u><u>382,529,428</u></u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs
SCHEDULE "F"		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities:		
Sundry creditors (no outstanding dues of micro enterprises and small enterprises) (See Note 6):		
- to subsidiaries	-	100,905
- to others	819,108	467,822
Security deposits	13,659,845	13,659,845
Other liabilities	465,539	47,053
Mark to Market Margin - Equity Stock Futures	23,577	-
Contingent Provisions against Standard Assets	141,115	-
Investor Protection and Education Fund shall be credited by the following amounts when due:		
Unclaimed dividends	2,769,486	3,271,287
	<u>17,878,670</u>	<u>17,546,912</u>
(b) Provisions:		
Proposed dividend	15,000,000	15,000,000
Tax on proposed dividend	2,491,500	2,491,500
Compensated absences	489,222	514,837
Provision for income tax (net of advance tax)	1,558,244	14,738,281
Provision for fringe benefit tax (net of advance tax)	50,495	50,495
	<u>19,589,461</u>	<u>32,795,113</u>
Total	<u><u>37,468,131</u></u>	<u><u>50,342,025</u></u>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	Rs.	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
SCHEDULE "G"			
INTEREST (gross):			
On deposits with banks (tax deducted at source Rs. 742,971; previous year Rs. 1,701,936)		7,313,308	15,731,309
On loans (tax deducted at source Rs.1,247,924; previous year Rs. 4,068,627)		12,479,240	11,574,443
On income tax refund		<u>2,845,101</u>	<u>662,664</u>
Total		<u>22,637,649</u>	<u>27,968,416</u>
SCHEDULE "H"			
PERSONNEL EXPENSES			
Salaries and bonus		6,510,613	6,369,326
Contribution to provident and other funds (See Note 8)		687,273	785,949
Staff welfare expenses		<u>312,190</u>	<u>304,131</u>
Total		<u>7,510,076</u>	<u>7,459,406</u>
SCHEDULE "I"			
OPERATING AND OTHER EXPENSES			
Rates and taxes		27,645	3,300
Rent (net of recovery Rs. 2,607,186; previous year Rs. 1,200,000)"		1,497,726	2,408,280
Travelling and conveyance		1,966,918	1,434,345
Insurance		13,694	34,154
Printing and stationery		182,101	228,607
Communication expenses (net of recovery Rs.168,141 previous year Rs.133,106)		305,540	219,224
Electricity (net of recovery Rs.612,487 previous year Rs. 450,807)		720,855	529,936
Repairs and Maintenance:			
- Buildings	2,421,824		1,320,042
- Computers	-		124,045
- Others	<u>166,971</u>		<u>116,575</u>
		2,588,795	1,560,662
Legal and Professional Fees		1,205,002	1,079,971
Directors' fees		945,000	560,000
Membership fees		1,347,136	1,566,574
Auditors' remuneration:			
- Audit fees	350,000		300,000
- Other services	655,000		340,000
- Out of pocket expenses	5,109		-
- Service tax	<u>104,041</u>		<u>65,920</u>
		1,114,150	705,920
Advances written off		1,844,206	-
Loans written off	44,762,131		-
Less; Provision held	<u>44,762,131</u>		<u>-</u>
		-	-
Expenses for increase in authorised share capital		1,400,000	-
Interest on income tax		105,353	1,080,000
Advertisement		84,328	87,226
Business Promotion		596,507	198,648
Loss on write off of fixed assets		23,580	485,426
Miscellaneous		<u>852,881</u>	<u>803,889</u>
Total		<u>16,821,417</u>	<u>12,986,162</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 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 time proportionate basis.
- (b) Rental income is accrued on the basis of the agreement.
- (c) Dividend is accounted when the right to receive payment is established and known.
- (d) Profit/Losses from share trading/investment activities is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of contract notes.
- (e) Equity Stock – Futures:

In accordance with Guidance Note on “Accounting for Equity Index and Equity Stock Futures and Options” issued by The Institute of Chartered Accountants of India.

1. Equity Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, are disclosed under Loans and Advances or Current Liabilities respectively. The “Mark-to-Market Margin Equity Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Equity Stock Futures till the Balance Sheet date.
2. As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Stock Futures are accounted for as follows:
 - Credit balance in the “Mark-to-Market Margin – Equity Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the Profit and Loss Account.
 - Debit balance in the “Mark-to-Market Margin - Equity Stock Futures Account”, being anticipated loss, is recognised in the Profit and Loss Account.
3. On final settlement or squaring-up of contracts for Equity Stock Futures, the profit or loss is calculated as the difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in “Mark-to-Market Margin - Equity Stock Futures Account” is recognised in the Profit and Loss Account upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out Method for calculating profit/ loss on squaring-up.
4. “Initial Margin – Equity Stock Futures Account”, representing the initial margin and “Margin Deposits” representing additional margin paid over and above the initial margin, for entering into contracts for Equity Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

(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.

1) Significant Accounting Policies (Contd.)

(iv) Depreciation:

- (a) Depreciation on fixed assets and investment in immovable property is provided on the written down value basis 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) Investments:

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

Current Investments are stated at lower of cost and fair value.

(vi) Taxation:

Tax expense comprises current and deferred tax. Current tax is 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 assets 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.

(vii) 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.

(viii) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(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:

1. 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 makes 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.

2. Defined Benefit Plan:

i. 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.

ii. 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.

2) Contingent liabilities not provided for in respect of:

Particulars	31st March, 2011	31st March, 2010
	Rs.	Rs.
(a) Disputed income-tax matters in appeal.	17,120,115	24,684,042
(b) Disputed wealth-tax matter in appeal.	3,250,246	3,250,246

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

3) Executive Chairman's Remuneration:

Particulars	Year Ended	Year Ended
	31st March, 2011	31st March, 2010
	Rs.	Rs.
Salaries	2,100,000	2,100,000
Contribution to provident fund	252,000	252,000

(The above does not include provision for compensated absences as the liability in respect thereof is made on a global basis)

4) Basic earnings per share have 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:

Particulars	Year Ended	Year Ended
	31st March, 2011	31st March, 2010
(a) Numerator: Profit after tax (Rs.)	40,627,231	137,775,166
(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.)	4.06	13.78

5) Related party disclosures:

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

Holding Company	:	N. N. Financial Services Private Limited
Subsidiary companies	:	IIT Investrust Limited
		IITL Projects Limited (Formerly known as Indo Green Projects Limited)
		IIT Insurance Broking and Risk Management Private Limited
		IIT Media and Entertainment Private Limited. (w.e.f. 15.04.2010)



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

Key management personnel : Dr. B. Samal, Executive Chairman
 Company in which directors have significant influence : Nimbus Projects Limited (Formerly known as NCJ International Limited)

(ii)

Sr. No.	Nature of transactions	Subsidiary companies	Key management personnel	Company in which directors have significant influence
		Rs.	Rs.	Rs.
(I)	Volume of transactions:			
(i)	Loans given			
	- IITL Projects Limited	35,000,000 (80,000,000)	- (-)	- (-)
	- Nimbus Projects Limited	- (-)	- (-)	- (16,000,000)
	- IITL Nimbus the Hyde Park Noida	- (-)	- (-)	- (-)
(ii)	Refund of loans given			
	- IITL Projects Limited	59,500,000 (-)	- (-)	- (-)
	- Nimbus Projects Limited	- (-)	- (-)	- (16,000,000)
	- IITL Nimbus the Hyde Park Noida	- (-)	- (-)	- (-)
	- IIT Investrust Limited	20,722,468 (33,595,940)	- (-)	- (-)
(iii)	Purchase of equity shares			
	- IITL Projects Limited	- (2,196,239)	- (-)	- (-)
(iv)	Subscription of equity shares			
	- IIT Insurance Broking & Risk Management Pvt. Limited	- (20,000,000)	- (-)	- (-)
	- IIT Media and Entertainment Private Limited	1,500,000	- (-)	- (-)
(v)	Advance given			
	- IITL Projects Limited	47,500,000 (-)	- (-)	- (-)
(vi)	Interest income			
	- IITL Projects Limited	5,618,301 (514,521)	- (-)	- (-)
	- IIT Investrust Limited	352,992 (2,205,237)	- (-)	- (-)
	- Nimbus Projects Limited	- (-)	- (-)	- (342,356)
	- IITL Nimbus the Hyde Park Noida	- (-)	- (-)	- (-)



Sr. No.	Nature of transactions	Subsidiary companies	Key management personnel	Company in which directors have significant influence
		Rs.	Rs.	Rs.
(vii)	Remuneration paid to Dr. B. Samal	- (-)	2,352,000 (2,352,000)	- (-)
(II)	Balances at year-end			
(i)	Amount receivable as at year-end			
	- IIT Investrust Limited	1,827,590 (22,707,180)	- (-)	- (-)
	- IITL Projects Limited	103,982,171 (80,008,148)	- (-)	- (-)
	- IIT Insurance Broking & Risk Management Private Limited	302,543 (8,148)	- (-)	- (-)
(ii)	Payable for expenses at year-end			
	- IIT Investrust Limited	- (100,905)	- (-)	- (-)

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

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

Name	Balance as at 31 st March, 2011	Maximum amount outstanding during the year ended 31 st March, 2011	No. of shares of the company held by the loanees as at 31 st March, 2011
	Rs.	Rs.	Rs.
A. Loans and advances in the nature of loans to subsidiaries-			
- IIT Investrust Limited	- (20,722,468)	20,722,468 (54,318,408)	- (-)
- IITL Projects Limited (Formerly known as Indo Green Projects Limited)	55,500,000 (80,000,000)	80,000,000 (80,000,000)	- (-)
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)	- (-)
(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.

No repayment schedule and no interest charged. Also provided for in the earlier years and written off during the year
Figures in brackets are the corresponding figures of the previous year.

6) 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.

- 7) (a) The break-up of the deferred tax assets and liabilities are as under:

Nature of timing difference	Deferred tax asset/ (liability) as at 31 st March, 2010 Rs.	(Charge)/credit for the current year Rs.	Deferred tax asset/ (liability) as at 31 st March, 2011 Rs.
Deferred tax liabilities:			
Depreciation	(1,442,294)	260,600	(1,181,694)
Deferred tax assets:			
Items covered under section 43B	174,993	(12,520)	162,473
Net Amount	(1,267,301)	248,080	(1,019,221)

The Company has not recognised deferred tax assets of Rs. 27,241,964 (previous year Rs. 18,765,053) on account of carry forward business losses and unabsorbed depreciation due to absence of virtual certainty.

- (b) MAT credit of Rs. 53,362,217 (previous year Rs. 40,059,107) is not recognised as an asset as the Company has carry forward business losses.

- 8) The Company has taken an office premise on operating lease. The lease term is on the basis of the agreement entered into with the landlord. The agreement provides for increase in rent. There are no restrictions imposed by the lease arrangement. There are no sub leases. The lease rental expense recognised in the Profit and Loss Account for the year Rs.1,497,726/- (previous year: Rs.759,000). [net of recoveries Rs.2,607,186/- (previous year: Rs.1,200,000)]

The future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Year ended 31 st March, 2011 Rs.	Year ended 31 st March, 2010 Rs.
Not later than one year	3,940,052	1,563,540
Later than one year but not later than five years	8,461,812	2,510,165
Later than five years	-	-
Total	12,401,865	4,073,705

- 9) Employee Benefits

- (a) Defined Contribution Plan

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

	31 st March, 2011 Rs.	31 st March, 2010 Rs.
Employer's contribution to Regional Provident Fund Commissioner	562,079	552,366
Employer's contribution to Family Pension Fund	60,198	59,804



(b) Defined Benefit Plan	Gratuity (funded)	
	31st March, 2011 Rs.	31st March, 2010 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	571,821	301,389
Interest Cost	45,746	21,097
Current Service Cost	208,282	202,537
Benefits paid	-	-
Net Actuarial (Gain)/Loss	<u>(55,540)</u>	46,798
Present value of Defined Benefit Obligation as at the end of the year	<u>770,309</u>	<u>571,821</u>
ii Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets as at the beginning of the year	840,794	564,964
Expected return on Plan Assets	81,159	45,186
Net Actuarial Gain / (Loss)	-	-
Employer's Contribution	296,249	230,644
Benefits paid	-	-
Fair value of Plan Assets as at the end of the year	<u>1,218,202</u>	<u>840,794</u>
The Company expects to contribute Rs.191,619 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:		
Bank Balance	11.98%	17.35%
Funds maintained with Life Insurance Corporation of India	88.02%	82.65%
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	(770,309)	(571,821)
Fair value of Plan Assets	1,218,202	840,794
Net assets recognised in the Balance Sheet	<u>447,893</u>	<u>268,973</u>
iv Components of Employer's Expenses		
Current Service Cost	208,282	202,537
Interest Cost	45,746	21,097
Expected return on Plan Assets	(81,159)	(45,186)
Net Actuarial Loss	(55,540)	46,798
Total expense recognised in the Profit and Loss Account in Schedule "H" under: 'Contribution to provident and other funds'	<u>117,329</u>	<u>225,246</u>
Actual return on Plan Assets	81,159	45,186
v Actuarial Assumptions		
Mortality Table	LIC (1994-96) (Ultimate)	
Discount rate	8%	7%
Expected rate of return on Plan Assets	7.14%	8%
Salary escalation	6%	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 Net assets / (liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustment:

	Gratuity (Funded)			
	31st March, 2011 Rs.	31st March, 2010 Rs.	31st March, 2009 Rs.	31st March, 2008 Rs.
1. Present Value of Defined Benefit Obligation	770,309	571,821	301,389	146,473
2. Fair Value of Plan Assets	1,218,202	840,974	564,964	525,128
3. Funded Status [Surplus]	447,893	268,973	263,575	378,655
4. Net Asset	447,893	268,973	263,575	378,655
5. Experience adjustment arising on:				
a. Plan Liabilities (Gain)/Loss	(55,540)	46,798	58,345	14,599
b. Plan Assets (Gain)/Loss	9,804	5,639	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.

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

(10) (a) The following Equity Stock Futures contracts have open interests as at the Balance Sheet date:

Sr. No.	Name of Equity Stock Futures	No. of Units Involved	Position	No. Of Contracts	Series of Future Contracts	Settlement price as at 31.3.2011 (Rs.)
1	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	2,000	Short	4	28-Apr-11	704.20
2	RELIANCE INDUSTRIES LTD.	1,500	Short	6	28-Apr-11	1,056.80
3	MAHINDRA AND MAHINDRA LIMITED	1,500	Short	3	28-Apr-11	705.30
4	RELIANCE CAPITAL LIMITED	2,500	Short	5	28-Apr-11	586.80
5	HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED	8,000	Short	8	28-Apr-11	177.75
6	CAIRN INDIA LTD	4,000	Short	4	28-Apr-11	353.75

(open interests of Equity Stock Futures contracts as at 31st March, 2010 - Nil)

(b) Initial margin on Equity Stock Futures has been paid in cash.

- (11) 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.
- (12) Out of total 10,000,000 (previous year: 10,000,000) Equity shares, 5,112,960 (previous year: 5,112,960) Equity shares are held by the Holding Company N. N. Financial Services Private Limited.
- (13) 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
Chairman

BIPIN AGARWAL
Director

Cumi A. Banerjee
CEO & Company Secretary

Mumbai : 30th May, 2011

**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
--	--	--	--	---	---	---	---

State Code :

1	1
---	---

Balance Sheet Date

3	1			0	3			2	0	1	1
D D		M M		Y Y Y Y							

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

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

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

Total Liabilities

		8	4	3	3	5	0
--	--	---	---	---	---	---	---

Total Assets

		8	4	3	3	5	0
--	--	---	---	---	---	---	---

Sources of Funds

Paid up Capital

		1	0	0	0	0	0
--	--	---	---	---	---	---	---

Reserves and Surplus

		7	4	2	3	3	1
--	--	---	---	---	---	---	---

Secured Loans

						N	I	L
--	--	--	--	--	--	---	---	---

Deferred tax liability

						1	0	1	9
--	--	--	--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

				4	8	0	3
--	--	--	--	---	---	---	---

Investments

		5	6	4	6	5	8
--	--	---	---	---	---	---	---

Net Current Assets

		2	7	3	8	8	9
--	--	---	---	---	---	---	---

Deferred tax asset (net)

						N	I	L
--	--	--	--	--	--	---	---	---

Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

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

Turnover (Including Other Income)

		1	0	2	0	0	6
--	--	---	---	---	---	---	---

Total Expenditure

			4	2	5	3	2
--	--	--	---	---	---	---	---

Profit / (Loss) before tax

			5	9	4	7	4
--	--	--	---	---	---	---	---

Profit + Loss - after tax

			4	0	6	2	7
--	--	--	---	---	---	---	---

Earnings per share in Rs.

				4	.	0	6
--	--	--	--	---	---	---	---

Dividend Rate (%)

							1	5
--	--	--	--	--	--	--	---	---

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

Item Code No. (ITC Code)

Product Description

N.A.

INVESTMENTS

N.A.

CORPORATE SERVICES

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

Mumbai :30th May, 2011

**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, 2011 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, 2011, which has 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 30th May, 2011 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 15th April, 2010 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
(Registration No. 117365W)

Z. F. Billimoria

Partner

(Membership No. 42791)

Mumbai: 30th May, 2011

Schedule to the Balance Sheet as at 31st March, 2011 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)

	Particulars	31-03-2011		31-03-2010	
		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	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans - Cash credit from bank	-	-	-	-
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive interest accrued thereon but not paid):				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other Public deposits	-	-	-	-



	Particulars	31-03-2011	31-03-2010
	Assets side :	Amount outstanding	Amount outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :(net of provisions for doubtful loans)		
	(a) Secured	-	50,000,000
	(b) Unsecured	282,700,028	126,487,705
	Total	282,700,028	176,487,705
(4)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
(5)	Break-up of Investments : (net of provisions for diminution)		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	8,168,411	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	306,904,502	318,980,850
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-



Assets side :	Amount outstanding	Amount outstanding
2. Unquoted :		
(i) Shares : (a) Equity	155,830,399	83,705,000
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	93,543,847	82,153,768
(iv) Government Securities	-	-
(v) Others - Immovable property	210,921	222,022
(vi) Others-Share Application Money	-	-
	564,658,080	485,061,640

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (net of provisions for doubtful loans)

Category	31-03-2011			31-03-2010		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries-	-	104,494,073	104,494,073	-	100,722,468	100,722,468
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	178,205,955	178,205,955	-	75,765,237	75,765,237
Total	-	282,700,028	282,700,028	-	176,487,705	176,487,705

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

Category	31-03-2011		31-03-2010	
	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	293,568,505	280,033,073	250,317,100	219,828,073
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	211,725,223	284,414,086	198,253,603	265,011,545
Total	505,293,728	564,447,159	448,570,703	484,839,618

(8) Other information

Particulars	31-03-2011 Amount	31-03-2010 Amount
(i) Gross Non-performing Assets		
(a) Related parties	-	58,705,000
(b) Other than related parties	152,184,016	179,552,250
(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 :30th May,2011



Schedule of Investments forming part of Schedule "D" to the Accounts

Name of the Company	Face Value per Scrip Rupees	As at 31st March, 2011 Holding Nos.	Book Value Rupees	As at 31st March, 2010 Holding Nos.	Book Value Rupees
LONG TERM INVESTMENTS					
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	2,500,000	25,000,000	2,500,000	25,000,000
IIT MEDIA AND ENTERTAINMENT PRIVATE LIMITED	10	150,000	1,500,000	-	-
Total			143,910,000		142,410,000
QUOTED TRADE INVESTMENTS					
Equity shares in a subsidiary company, fully paid-up:					
IITL PROJECTS LIMITED (FORMERLY KNOWN AS INDO GREEN PROJECTS LIMITED)	10	3,580,347	136,123,073	3,580,347	136,123,073
Total			136,123,073		136,123,073
UNQUOTED OTHER INVESTMENTS					
Units of Mutual Fund, fully paid-up:					
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN PREMIUM DAILY DIVIDEND	10	-	-	646,206	6,475,626
RELIANCE MONEY MANAGER FUND RETAIL OPTION DAILY DIVIDEND	1,000	-	-	5,142	5,147,170
UTI-GILT ADVANTAGE FUND LTP DIVIDEND PLAN PAYOUT	10	2,410,869	32,446,911	2,410,869	32,446,911
UTI-BOND FUND	10	843,192	10,000,000	843,192	10,000,000
UTI-GILT ADVANTAGE FUND LTP PF PLAN (DIVIDEND) PAYOUT	10	2,232,189	28,084,061	2,232,189	28,084,061
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - DAILY DIVIDEND	100	94,698	10,012,875	-	-
RELIANCE MONEY MANAGER FUND INSTITUTIONAL OPTION - MONTHLY DIVIDEND PLAN	1,000	14,886	15,000,000	-	-
Total			95,543,847		82,153,768
Equity shares, fully paid-up:					
WORLD RESORTS LIMITED	10	1,000,000	11,920,399	-	-
Total			11,920,399		-
QUOTED OTHER INVESTMENTS					
Equity shares, fully paid-up:					
ACC LIMITED	10	-	-	300	270,897
ANSAL PROPERTIES AND INFRASTRUCTURE LIMITED	5	10,000	4,305,646	10,000	4,305,646
ACKRUTI CITY LIMITED	10	-	-	5,144	2,226,550
BHARTI AIRTEL LIMITED	5	-	-	11,600	3,872,813
COAL INDIA LIMITED	10	7,000	2,465,781	-	-



Schedule of Investments forming part of Schedule "D" to the Accounts (Contd.)

Name of the Company	Face Value per Scrip Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding Nos.	Book Value Rupees	Holding Nos.	Book Value Rupees
DLF LIMITED	2	10,000	4,416,095	10,000	4,416,095
EMPEE DISTILLERIES LIMITED	10	2,500	952,940	2,500	952,940
GMR INFRASTRUCTURE LIMITED	1	19,900	1,655,595	19,900	1,655,595
GUJARAT STATE FERTILISERS & CHEMICALS LIMITED	10	-	-	20,000	6,839,329
HBL POWER SYSTEMS LIMITED	1	9,450	427,825	9,450	427,825
INDIA CEMENT LIMITED	10	14,895	2,450,912	14,895	2,450,912
JAIPRAKASH ASSOCIATES LIMITED	2	7,500	1,302,927	7,500	1,302,927
JAIPRAKASH POWER VENTURE LIMITED	10	30,000	2,801,128	30,000	2,801,128
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
MERCATOR LINES LIMITED	1	6,080	904,607	6,080	904,607
NHPC LIMITED	10	100,000	3,425,126	100,000	3,425,126
PATEL ENGINEERING LIMITED	1	4,500	4,588,256	4,500	4,588,256
OM METALS INFRA PROJECTS LIMITED	1	-	-	100,000	3,710,844
RELIANCE CAPITAL LIMITED	10	9,995	14,851,359	9,995	14,851,359
RELIANCE COMMUNICATIONS LIMITED	5	175,000	45,671,012	62,961	25,610,542
RELIANCE INDUSTRIES LIMITED	10	4,912	10,037,676	4,912	10,037,676
RELIANCE MEDIA WORKS LIMITED	5	10,000	3,668,331	10,000	5,956,600
RELIANCE BROADCAST NETWORK LIMITED (Formerly known as Reliance Media World Limited)	5	10,000	1,794,343	10,000	1,794,343
RELIANCE POWER LIMITED	10	100,000	21,886,285	100,000	21,886,285
SQL STAR INTERNATIONAL LIMITED	10	547,677	22,685,544	547,677	22,685,544
UNITECH LIMITED	2	558,825	74,452,200	558,825	74,452,200
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			232,966,130		229,648,581

CURRENT INVESTMENT QUOTED EQUITY
SHARES FULLY PAID

RELIANCE INDUSTRIES LIMITED	10	1,500	1,541,441	-	-
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	2	2,000	1,341,282	-	-
MAHINDRA AND MAHINDRA LIMITED	5	1,500	1,026,525	-	-
RELIANCE CAPITAL LIMITED	10	2,500	1,476,856	-	-
HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED	10	8,000	1,378,592	-	-
CAIRN INDIA LIMITED	10	4,000	1,403,715	-	-
Total			8,168,411		-

INDUSTRIAL INVESTMENT TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INDUSTRIAL INVESTMENT TRUST LIMITED

1. We have audited the attached Consolidated Balance Sheet of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company"), its subsidiaries and jointly controlled entities ("the Group") as at 31st March, 2011, 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. The Consolidated Financial Statements include investments in the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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: (i) three subsidiaries, whose financial statements reflect total assets of Rs. 236,928,228 as at 31st March, 2011, total revenues of Rs. 167,190,516 and net cash inflows amounting to Rs. 14,295,237 for the year ended on that date; and (ii) two joint ventures, whose financial statements reflect the Group's share of total assets of Rs. 1,378,632,850 as at 31st March, 2011, total revenues of Rs. 1,682,156 and net cash inflows amounting to Rs. 27,274,430 for the year ended on that date; as considered in the Consolidated Financial Statements.

These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Z. F. Billimoria
Partner

MUMBAI: 30th May, 2011

(Membership No. 42791)



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
I. SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	"A"	100,000,000	100,000,000
(b) Reserves and surplus	"B"	792,580,884	747,353,409
		892,580,884	847,353,409
(2) MINORITY INTEREST		18,880,320	18,270,979
(3) UNSECURED LOAN	"C"	57,000,000	-
(4) DEFERRED TAX LIABILITY [See Note 5(i)]		1,605,347	1,511,187
Total		970,066,551	867,135,575
II. APPLICATION OF FUNDS			
(1) FIXED ASSETS "D"			
(a) Gross block		43,616,431	31,699,949
(b) Less: Depreciation/amortisation		20,856,776	14,282,690
(c) Net block		22,759,655	17,417,259
(d) Less: Provision for write down in value of fixed assets		-	2,002,576
(e) Add: Capital Work-in-progress		79,640	-
		22,839,295	15,414,683
(2) GOODWILL ON CONSOLIDATION		88,816,011	88,810,261
(3) INVESTMENTS "E"		298,372,901	265,233,567
(4) DEFERRED TAX ASSET [See Note 5(i)]		560,403	308,062
(5) CURRENT ASSETS, LOANS AND ADVANCES "F"			
(a) Stock-in-trade		1,490,709,871	137,694,901
(b) Sundry debtors		53,159,214	9,283,015
(c) Cash and bank balances		194,957,071	353,603,500
(d) Other current assets		2,719,798	4,976,696
(e) Loans and advances		281,947,379	160,941,620
		2,023,493,333	666,499,732
Less: CURRENT LIABILITIES AND PROVISIONS "G"			
(a) Current liabilities		1,437,641,386	129,544,567
(b) Provisions		26,374,006	39,586,163
		1,464,015,392	169,130,730
NET CURRENT ASSETS		559,477,941	497,369,002
Total		970,066,551	867,135,575

NOTES TO THE ACCOUNTS "L"

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

In terms of our report attached. For and on behalf of the Board of Directors
 For DELOITTE HASKINS & SELLS Dr. B. SAMAL BIPIN AGARWAL
 Chartered Accountants Chairman Director
 Z. F. BILLIMORIA CUMI A. BANERJEE
 Partner CEO & Company Secretary
 Mumbai: 30th May, 2011 Mumbai: 30th May, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
INCOME			
Dividend income on long term investments - other than trade		1,928,496	2,264,646
Dividend income on current investments		1,330,100	696,054
Interest	"H"	21,091,311	29,979,950
Rent on immovable property		15,714,816	13,664,340
Consultancy Fees		71,556,200	152,362,500
Brokerage		92,177,382	2,051,255
Net profit on trading in equity shares		37,851	-
Net profit on sale of long term investments		974,941	14,620,472
Profit on futures and options (net)		564,841	6,620,629
Income from sale of flats and real estate consultancy		131,089,645	3,927,500
Provision for write down in value of fixed assets no longer required		2,002,576	-
Provision for diminution in value of investments no longer required		-	22,715,602
Miscellaneous		604,937	89,017
Total		339,073,096	248,991,965
EXPENDITURE			
Cost of Sales	"I"	101,828,826	-
Personnel expenses	"J"	45,680,920	19,834,507
Operating and other expenses	"K"	67,531,816	30,939,174
Provision for diminution in the value of investments		17,393,897	-
Contingent provision against standard assets		141,115	-
Depreciation and amortisation on fixed assets	"D"	6,171,654	4,222,550
Provision for write down in value of fixed assets		-	2,002,576
Depreciation on investment in immovable property		11,101	11,685
Total		238,759,329	57,010,492
PROFIT BEFORE TAXATION		100,313,766	191,981,473
Provision for taxation			
- Current tax [See Note 5(ii)]		(33,237,500)	(77,300,000)
- Deferred tax [See Note 5(i)]		158,181	(6,947,676)
- Income-tax adjustment for prior years		(3,911,882)	(10,515,373)
PROFIT AFTER TAXATION AND BEFORE MINORITY		63,322,566	97,218,424
Add.: (Profit) / Loss attributable to minority interest		(609,341)	660,611
PROFIT AFTER TAXATION AND AFTER MINORITY INTEREST		62,713,225	97,879,035
Pre acquisition loss for the year of a subsidiary		-	200,309
Pre acquisition loss for the year of a Joint venture		5,750	-
Add: Balance brought forward from last year		337,771,601	291,628,757
AMOUNT AVAILABLE FOR APPROPRIATION		400,490,576	389,708,101
Less: Appropriations			
Transfer to special reserve		8,126,000	27,556,000
Proposed dividend		15,000,000	15,000,000
Tax on dividend		2,491,500	2,491,500
Transfer to general reserve		2,032,000	6,889,000
BALANCE CARRIED TO BALANCE SHEET		372,841,076	337,771,601

NOTES TO THE ACCOUNTS "L"

The schedules referred to above form an integral part of the Profit and Loss Account
 Basic and Diluted earnings per equity share (Rs.) (See Note 6) 6.27 9.79
 Nominal value per equity share (Rs.) 10.00 10.00

In terms of our report attached. For and on behalf of the Board of Directors
 For DELOITTE HASKINS & SELLS Dr. B. SAMAL BIPIN AGARWAL
 Chartered Accountants Chairman Director
 Z. F. BILLIMORIA CUMI A. BANERJEE
 Partner CEO & Company Secretary
 Mumbai: 30th May, 2011 Mumbai: 30th May, 2011



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.		Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			C. CASH FLOW FROM FINANCING ACTIVITIES		
Net profit before tax	100,313,767	191,981,473	Borrowings availed	57,000,000	-
Adjustments for:			Interest paid	(1,205,250)	-
Depreciation	6,182,755	4,234,235	Dividend paid	(15,000,000)	(10,000,000)
Interest income	(21,091,311)	(29,979,950)	Tax on dividend	(2,491,500)	(1,699,500)
Loss on sale / write off of fixed assets	23,580	485,426	Net cash generated from/ (used) in financing activities	38,303,250	(11,699,500)
Provision for interest on Income tax	105,353	1,080,000	NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(168,766,771)	140,245,575
Dividend income	(1,330,100)	-			
Contingent Provisions against Standard Assets	141,115	-	D. CASH AND CASH EQUIVALENTS		
Advances written off	1,844,206	-	As at the commencement of the year, as per Schedule F	353,603,500	199,407,925
Provision for diminution in value of investments	17,393,897	-	Less: Fixed Deposits - under lien	13,950,000	-
Provision for diminution in value of investments no longer required	-	(22,715,602)		339,653,500	199,407,925
Provision for / (reversal) of write down in value of fixed assets	(2,002,576)	2,002,576	As at the end of the year, as per Schedule F (See Note 3 below)	194,957,071	353,603,500
Net profit on sale of investments	(1,012,792)	(14,620,472)	Less: Fixed Deposits - under lien	24,070,342	13,950,000
				170,886,729	339,653,500
Operating profit before working capital changes	100,567,894	132,467,686	NET (DECREASE) / INCREASE AS DISCLOSED ABOVE [(ii) - (i)]	(168,766,771)	140,245,575
Increase in current liabilities	1,308,205,976	111,325,595			
(Increase) / Decrease in sundry debtors	(43,876,199)	115,672,712	Notes:		
Increase in inventory	(1,351,403,478)	(137,694,901)	1. The cash flows relating to Investment activities of the group are included under operating activities.		
Increase in advances and other current assets	(14,496,709)	(50,135,397)	2. Direct tax paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.		
Other adjustments :			3. Includes an amount of Rs.2,769,486 (previous year Rs.3,271,287) being balance in Unpaid dividend accounts.		
Purchase of investments	(100,174,777)	(271,440,942)	4. Previous year figures have been regrouped wherever necessary.		
Sale of investments	64,391,130	252,232,002			
Advance against investments	(143,260,851)	-	In terms of our report attached.	For and on behalf of the Board of Directors	
Repayment of loans granted	50,000,000	50,000,000	For DELOITTE HASKINS & SELLS Chartered Accountants	DR. B. SAMAL Chairman	BIPIN AGARWAL Director
Interest received	19,912,143	27,080,284	Z. F. BILLIMORIA Partner	CUMI A. BANERJEE CEO & Company Secretary	
Cash generated / (used) from operations	(110,134,871)	229,507,039	Mumbai: 30th May, 2011	Mumbai: 30th May, 2011	
Direct taxes paid	(62,744,687)	(56,554,765)			
Net cash generated from/ (used) in operating activities	(172,879,558)	172,952,274			
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Investments	(13,747,894)	-			
Purchase of fixed assets	(11,766,987)	(7,407,699)			
Interest income	114,660	2,546,739			
Dividend income	1,330,100	-			
Decrease in minority interest	-	(1,043,034)			
Goodwill on acquisition of stake in subsidiary	-	(1,153,205)			
Increase in fixed deposits placed-under lien	(10,120,342)	(13,950,000)			
Net cash used in investing activities	(34,190,463)	(21,007,199)			



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.		As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE "A"			SCHEDULE "B"		
SHARE CAPITAL			RESERVES AND SURPLUS		
Authorised:			Capital Reserve	(i) 750	750
35,000,000 (previous year 15,000,000) Equity shares of Rs.10 each	<u>350,000,000</u>	<u>150,000,000</u>	Capital Reserve on Consolidation	(ii) 702,000	702,000
Issued, subscribed and paid-up:			General Reserve:		
10,000,000 Equity shares of Rs.10 each fully paid-up (See Note 9)	<u>100,000,000</u>	<u>100,000,000</u>	Balance as per last Balance Sheet	166,780,058	159,891,058
Total	<u><u>100,000,000</u></u>	<u><u>100,000,000</u></u>	Add: Transferred from Profit and Loss Account	<u>2,032,000</u>	<u>6,889,000</u>
				(iii) <u><u>168,812,058</u></u>	<u><u>166,780,058</u></u>
			Special Reserve (as per the RBI regulations):		
			Balance as per last Balance Sheet	242,099,000	214,543,000
			Add: Transferred from Profit and Loss Account	<u>8,126,000</u>	<u>27,556,000</u>
				(iv) <u><u>250,225,000</u></u>	<u><u>242,099,000</u></u>
			Balance in Consolidated Profit and Loss Account	(v) 372,841,076	337,771,601
			Total (i)+(ii)+(iii)+(iv)+(v)	<u><u>792,580,884</u></u>	<u><u>747,353,409</u></u>
			SCHEDULE "C"		
			UNSECURED LOAN		
			From others	57,000,000	-
			Total	<u><u>57,000,000</u></u>	<u><u>-</u></u>

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET
SCHEDULE "D"
FIXED ASSETS

(Rs.)

ASSETS	COST		DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st April, 2010	Additions during the year	Deductions during the year	As at 1st April, 2010	For the year	On deductions during the year	As at 31st March, 2011
TANGIBLE							
Buildings	9,100,000	-	-	5,094,848	200,258	-	3,804,894
Improvement in lease hold premises	58,050	-	-	5,169	14,514	-	38,367
Furniture, Fixtures & Office Equipment	4,494,404	3,285,100	27,390	2,145,022	1,234,589	3,810	4,376,313
Motor Cars	2,673,150	350,188	-	1,349,684	395,175	-	1,278,479
Computers	6,691,007	7,562,225	-	4,117,901	3,662,162	-	6,473,169
INTANGIBLE							
Software	1,183,338	746,359	-	70,066	321,198	-	1,538,433
BSE Card	7,500,000	-	-	1,500,000	750,000	-	5,250,000
Total	31,699,949	11,943,872	27,390	14,282,690	6,577,896*	3,810	22,759,655
Previous year	59,783,174	7,407,699	35,490,924	45,065,638	4,222,550	35,005,498	17,417,259
Less : Provisions for write down in value of fixed assets							
Add : Capital work-in-progress							
* Includes Rs. 406,242 (Previous Year Rs. Nil) is transferred to construction work-in-progress being co-operative in relation to construction.							
							79,640
							22,839,295
							15,414,683



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.		As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE "E"			SCHEDULE "F"		
INVESTMENTS :			CURRENT ASSETS, LOANS AND ADVANCES		
I) Long term (at cost)			(a) Inventories		
Unquoted:			Construction materials		
Units of Mutual Fund, fully paid-up	95,543,847	82,153,768		892,170	-
Less: Provision for diminution in the value of investments	<u>(2,000,000)</u>	-	Construction work-in-progress	1,457,464,312	137,694,901
	93,543,847	82,153,768	Stock-in-trade of shares	<u>32,353,389</u>	-
Equity shares, fully paid-up	11,920,399	-		<u>1,490,709,871</u>	<u>137,694,901</u>
Quoted:			(b) Sundry debtors (unsecured, considered good):		
Equity shares, fully paid-up	232,966,130	229,648,581	Outstanding for a period exceeding six months	4,973,841	9,074,236
Less: Provision for diminution in the value of investments	<u>(62,184,701)</u>	(46,790,804)	Others	<u>48,185,373</u>	208,779
	<u>170,781,429</u>	<u>182,857,777</u>		<u>53,159,214</u>	<u>9,283,015</u>
(i)	<u>276,245,675</u>	<u>265,011,545</u>	(c) Cash and bank balances:		
Immovable property			Cash on hand	267,096	59,029
Cost	1,069,071	1,069,071	Cheques on hand	558,078	185,557
Less: Depreciation to-date	<u>858,150</u>	<u>847,049</u>	With Scheduled banks:		
(ii)	<u>210,921</u>	<u>222,022</u>	- On Current account	65,592,069	76,509,622
			- On Unpaid dividend account	2,769,486	3,271,287
			- On Fixed deposit account		
			[includes Rs. 24,070,342 under lien;	<u>125,770,342</u>	273,578,005
			(Previous year: Rs. 13,950,000)]	<u>194,957,071</u>	<u>353,603,500</u>
II) Current Investments			(d) Other current assets		
(at lower of cost and fair value)			(considered good, unless otherwise stated):		
Unquoted:			Investment income receivable	-	393,273
Units of Mutual Fund, fully paid-up	13,747,894	-	Interest accrued on bank deposits	2,719,591	3,140,959
Quoted:			Interest accrued on loans to others	<u>151,522</u>	1,593,779
Equity shares, fully paid-up	8,168,411	-		<u>2,871,113</u>	5,128,011
(iii)	<u>21,916,305</u>	-	Less: Provision for doubtful interest	<u>(151,315)</u>	(151,315)
				<u>2,719,798</u>	<u>4,976,696</u>
Total (i)+(ii)+(iii)	<u>298,372,901</u>	<u>265,233,567</u>	(e) Loans and advances		
Aggregate amount of quoted investments			(unsecured, considered good, unless otherwise stated):		
[Market value Rs.108,303,816;			Loans [includes Rs. Nil (previous year		
(Previous year: Rs. 122,554,940)]	178,949,840	182,857,777	Rs.50,000,000) secured by way of	87,848,000	182,610,131
Aggregate amount of unquoted investments	119,212,140	82,153,768	pledge of shares] (considered doubtful:		
Immovable property	<u>210,921</u>	<u>222,022</u>	Rs.87,848,000; previous year: Rs.132,610,131)		
Total	<u>298,372,901</u>	<u>265,233,567</u>	Less: Provision for doubtful loans	<u>(87,848,000)</u>	(132,610,131)
				-	50,000,000
			Advances recoverable in cash or in kind or for value to be received	58,512,555	17,735,976
			Advance against investments	143,260,851	-
			Contribution to SPV	25,237,500	53,268,300
			Deposits with stock exchanges / clearing members	16,575,000	16,275,000
			Advance payment of income tax (net of provision)	38,360,799	23,661,670
			Advance payment of fringe benefit tax (net of provision)	674	674
				<u>281,947,379</u>	<u>160,941,620</u>
			Total	<u>2,023,493,333</u>	<u>666,499,732</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE "G"		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current liabilities:		
Sundry creditors *	1,068,735,086	97,329,966
Security deposits	22,029,845	13,659,845
Other liabilities	6,883,961	990,568
Advance received from customers	337,058,316	14,292,901
Mark to Market margin - Equity Stock Futures	23,577	-
Contingent provision against standard assets	141,115	-
Investor Protection and Education Fund shall be credited by the following amounts when due:		
Unclaimed dividends	2,769,486	3,271,287
	<u>1,437,641,386</u>	<u>129,544,567</u>
(b) Provisions:		
Proposed dividend	15,000,000	15,000,000
Tax on proposed dividend	2,491,500	2,491,500
Employee benefits	1,241,987	735,191
Provision for income tax (net of advance tax)	7,590,024	21,300,880
Provision for fringe benefit tax (net of advance tax)	50,495	58,592
	<u>26,374,006</u>	<u>39,586,163</u>
Total	<u><u>1,464,015,392</u></u>	<u><u>169,130,730</u></u>

* includes Rs.87,121,398 (Previous year : Rs. 93,306,865) towards premium for development rights payable in half-yearly installments upto 9th March, 2017 to Greater Noida Industrial Development Authority, pursuant to the lease deed by a subsidiary.

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
SCHEDULE "H"		
INTEREST		
On deposits with banks	12,772,561	20,430,441
On loans	5,370,617	8,854,685
On income tax refund	2,928,133	694,824
Others	20,000	-
Total	<u><u>21,091,311</u></u>	<u><u>29,979,950</u></u>
SCHEDULE "I"		
COST OF SALES		
Opening Balance of Construction work-in-progress		
Construction materials	137,694,901	-
Additions during the year	1,422,490,407	137,694,901
Closing Balance of Construction work-in-progress and Construction materials	(1,458,356,482)	(137,694,901)
Total	<u><u>101,828,826</u></u>	<u><u>-</u></u>
SCHEDULE "J"		
PERSONNEL EXPENSES		
Salaries and bonus	41,285,853	18,158,969
Contribution to provident and other funds (See Note 8)	3,406,875	1,208,093
Staff welfare expenses	988,192	467,445
Total	<u><u>45,680,920</u></u>	<u><u>19,834,507</u></u>
SCHEDULE "K"		
OPERATING AND OTHER EXPENSES		
Rates and taxes	172,074	24,000
Rent	9,820,858	5,645,096
Travelling and conveyance	6,153,051	2,756,614
Insurance	1,218,692	83,616
Printing and stationery	1,091,217	479,083
Communication expenses	3,490,775	764,088
Electricity	1,703,596	855,914
Repairs and maintenance:		
- Buildings	2,472,984	1,360,537
- Computers	93,155	272,478
- Others	859,698	743,887
	<u>3,425,837</u>	<u>2,376,902</u>
Legal and professional fees	4,009,752	2,928,043
Loans written off	44,762,131	-
Less: Provision held	<u>44,762,131</u>	<u>-</u>
Directors' fees	2,492,500	1,132,500
Membership fees	1,964,022	3,914,531
Auditors' remuneration (See Note 10)	3,846,305	1,581,387
Advances written off	1,844,206	-
Expenses for increase in authorised share capital	1,400,000	1,050,000
Interest on Income tax	105,353	1,080,000
Advertisement	628,509	1,933,908
Brokerage and Commission	14,247,728	1,193,448
Preliminary expenses	878,450	-
Business promotion	2,492,227	357,297
Service Tax Paid	4,235,760	-
Loss on write off of fixed assets	23,580	485,426
Miscellaneous	2,287,325	2,297,321
Total	<u><u>67,531,816</u></u>	<u><u>30,939,174</u></u>



SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "L"

NOTES TO THE ACCOUNTS

(1) Basis of preparation:

a) The Consolidated Financial Statements have been prepared on the following basis:

(i) 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.

(ii) The financial statements of the jointly controlled entities 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 27 on 'Financial Reporting of Interests in Joint Ventures' as notified by the Companies (Accounting Standards) Rules, 2006 using the "proportionate consolidation" method.

(iii) The financial statements of the subsidiaries and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March, 2011.

(iv) The excess of cost to the Company, of its investment in the subsidiaries and jointly controlled entities over the Company's portion of equity is recognised in the financial statements as Goodwill.

(v) The excess of the Company's portion of equity of the subsidiaries and jointly controlled entities on the acquisition date over its cost of investment is treated as Capital Reserve.

(vi) 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.

(vii) Net Profit for the year of the subsidiaries attributable to minorities is identified and adjusted against the Profit After Tax of the Group.

b) (i) The financial statements of the following subsidiaries have been consolidated as per Accounting standard 21 on "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules. 2006:

Name of Subsidiary	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Extent of holding (%)	Period of holding	Extent of holding (%)	Period of holding
(i) IIT Investrust Limited (IITIL)	99	Throughout the year	99	Throughout the year
(ii) IIT Insurance Broking and Risk Management Private Limited (IITBRMPL)	100	Throughout the year	100	Throughout the year
(iii) IITL Projects Limited (formerly known as Indo Green Projects Limited) (IITLPL)	71.74	Throughout the year	70.47 71.74	Opening Balance 1.26% acquired in small lots
(iv) IIT Media and Entertainment Private Limited (IITMEPL)	100	W.e.f. 15th April, 2010	Nil	NA

All the Subsidiaries mentioned above are incorporated in India.

(ii) The financial statements of the following jointly controlled entities have been consolidated as per Accounting standard 27 on "Financial Reporting of Interest in Joint Ventures" as notified by the Companies (Accounting Standards) Rules. 2006:

Name of Jointly Controlled Entity	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Extent of holding (%)	Period of holding	Extent of holding (%)	Period of holding
(i) Capital Infraprojects Private Limited (CIPL) #	50	W.e.f. 24th March, 2011	Nil	NA
(ii) IITL Nimbus The Hyde Park Noida *	45	W.e.f. 9th April, 2010	Nil	NA

During the year, IITL Projects Limited and Nimbus Projects Limited (formerly known as NCJ International Limited) by a share purchase agreement dated 24th March, 2011 acquired Capital Infraprojects Private Limited (CIPL). IITL Projects Limited and Nimbus Projects Limited will exercise joint control over the acquired entity. IITL Projects Limited share in CIPL is 50%.

* During the year, IITL Projects Limited by virtue of an Agreement has entered into a Joint Venture for real estate project namely 'The Hyde Park', with Nimbus Projects Limited (formerly known as NCJ International Limited) and Supertech Limited by forming a Partnership Firm named "IITL - NIMBUS THE HYDE PARK NOIDA" ("the firm") vide Partnership deed dated 9th April, 2010. The IITL Projects Limited share in the firm is 45%.

All the jointly controlled entities mentioned above are incorporated in India.

(iii) Group's share of interest in the assets, liabilities, income and expenses with respect to jointly controlled entities (each without elimination of the effects of transactions between the Group and the jointly controlled entities) on the basis of audited financial statements of the jointly controlled entities as at and for the period ended 31st March, 2011:

(Amount in Rs.)

Particulars	31st March, 2011	31st March, 2010
ASSETS		
Fixed Assets (Net Block)	1,510,355	-
Investments	13,747,894	-
Stock in trade	1,319,157,745	-
Cash and Bank Balance	27,274,430	-
Loans and Advances	65,560,614	-
LIABILITIES		
Reserve and Surplus	1,625,531	-
Unsecured Loans	102,000,000	-
Current Liabilities	1,278,427,007	-
Provisions	148,500	-
INCOME		
Dividend on current investments	1,328,605	-
Interest	211,692	-
Miscellaneous Income	251,709	-
EXPENSES		
Operating and other expenses	17,975	-
Provision for Taxation	148,500	-
Income transferred to partners' capital	1,643,506	-



(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:

- (a) Interest on all lending such as inter corporate deposits, finance against securities and fixed deposits are accounted on time proportionate basis.
- (b) Rental income is accrued on the basis of the agreement.
- (c) Dividend is accounted when the right to receive payment is established and known.
- (d) Profit/Losses from share trading/investment activities is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of contract notes.
- (e) Fees from real estate consultancy are accounted as per the terms of contract with the customers.
- (f) Revenue from real estate projects is recognised on the Percentage of Completion Method. Revenue is recognised in relation to the areas sold, on the basis of percentage of actual costs incurred as against the total estimated cost of the project under execution, subject to such actual costs being 25 percent or more of the total estimated cost. Land costs are not included for the purpose of computing the percentage of completion. The estimates of saleable area and costs are revised periodically by the Management. The effect of such changes in estimates is recognised in the period such changes are determined.
- (g) Commission and brokerage on insurance business is credited to income on the date of issue of the prime documents by the insurance Company, except where there are material installments, in which case the brokerage is booked on the due date of the installment. Adjustments to brokerage arising from premium additions, reductions and renewal directly deposited by the client are taken into account as and when they are known.
- (h) Brokerage income from stock broking activities is recognised on the basis of Contract Notes issued.
- (i) Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.
- (j) Equity Stock – Futures:

In accordance with Guidance Note on “Accounting for Equity Index and Equity Stock Futures and Options” issued by The Institute of Chartered Accountants of India.

- (a) Equity Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, are disclosed under Loans and Advances or Current Liabilities respectively. The “Mark-to-Market Margin Equity Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Stock Futures till the Balance Sheet date.
- (b) As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Stock Futures are accounted for as follows:

- 1) Credit balance in the “Mark-to-Market Margin – Equity Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the Profit and Loss Account.
- 2) Debit balance in the “Mark-to-Market Margin - Equity Stock Futures Account”, being anticipated loss, is recognised in the Profit and Loss Account.

- (c) On final settlement or squaring-up of contracts for Equity Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in “Mark-to-Market Margin - Equity Stock Futures Account” is recognised in the Profit and Loss Account upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out Method for calculating profit/ loss on squaring-up.

- (d) “Initial Margin – Equity Stock Futures Account”, representing the initial margin and “Margin Deposits” representing additional margin paid over and above the initial margin, for entering into contracts for Equity Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

- (k) Fees for consultancy income is recognised on the proportionate completion method based on management estimates of the stages of completion of the contracts.

(iii) Inventories :

- (a) Inventories are valued at lower of cost and net realisable value. Construction material cost is determined on a First in First Out basis. Construction work in progress comprises premium for development rights and expenditure relating to construction.
- (b) Stock of shares held as inventory has been valued at Cost or Market price whichever is lower. Cost is determined on weighted average basis.

(iv) Fixed Assets:

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

(v) Depreciation and amortisation:

- (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 Companies Act, 1956, except in respect of IITL where depreciation is provided on straight line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956 and IITL-Nimbus Hyde Park, Noida where depreciation is provided on written down value method, at rates and in the manner as provided under section 32 of the Income Tax Act, 1961.
- (b) Depreciation on improvement in lease hold premises is provided over the period of lease.
- (c) 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) BSE card is amortised over a period of ten years on straight line method.
- (e) Computer software has been amortised over the period of its estimated useful life ranging from 3 to 6 years.

(vi) Investments:

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

Current investments are stated at lower of cost and fair value.

(vii) Taxation:

Tax expense comprises current and deferred tax. Current tax is 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 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:

(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 group are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the group makes 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 group has no further obligation beyond making the contribution. The contributions to Defined Contribution Plan are charged to Profit and Loss Account as incurred.

(ii) Defined Benefit Plan:

1. Gratuity

The group 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 Group makes contribution to LIC of India based on an independent actuarial valuation made at the year-end except in respect of one subsidiary in which the liability is not funded. Actuarial gains and losses are recognised in the Profit and Loss Account.

2. Compensated absences

The group 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 Group 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.

(xi) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

(xii) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

	31st March, 2011 Rs.	31st March, 2010 Rs.
--	----------------------------	----------------------------

(3) Contingent liabilities not provided for in respect of:

(a) Disputed income-tax matters in appeal	17,345,640	24,906,121
(b) Disputed wealth-tax matters in appeal	3,250,246	3,250,246
(c) Claim not acknowledged as debt	-	340,000

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

(4) The group has taken office premises on lease. The lease term is on the basis of the agreement entered into with the landlord. The agreement provides for increase in rent. There are no restrictions imposed by the lease arrangement. There are no sub leases. The lease rental expense recognised in the Profit and Loss Account for the year Rs. 9,489,958/- (Previous Year: Rs. 1,617,368/-)



The future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
Not later than one year	4,675,796	2,605,844
Later than one year but not later than five years	11,417,051	5,833,263
Later than five years	367,872	367,870
Total	16,460,719	8,806,977

(5) (i) Deferred taxes: (Amount in Rs.)

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	Assets	Liabilities	Assets	Liabilities
(a) Depreciation	311,289	1,747,607	233,164	1,664,923
(b) Expenses U/s 35D	-	20,213	-	21,257
(c) Items covered under section 43B Employee Benefits	249,114	(162,473)	74,898	(174,993)
Total	560,403	1,605,347	308,062	1,511,187

(ii) MAT credit of Rs. 53,362,217/- (Previous Year Rs. 40,059,107/-) 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 and after minority interest 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, 2011	Year ended 31st March, 2010
(a) Numerator: Profit after tax (Rs.)	62,713,225	97,879,035
(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.)	6.27	9.79

(7) Related party disclosures:

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

Ultimate Holding Company: N. N. Financial Services Private Limited

Key management personnel: Dr. B. Samal, Executive Chairman
(Of the Holding Company)

Companies in which directors have significant influence :
Nimbus Projects Limited (Formerly known as NCJ International Limited)
Nimbus India Limited

(ii) Transactions with related parties:

(Amount in Rs.)

Sr. No.	Nature of transactions	Key management personnel	Companies in which directors have significant influence
(I)	Volume of transactions:		
(i)	Loans taken		
	- Nimbus Projects Limited	- (-)	1,256,854 (-)
	- Nimbus India Limited	- (-)	25,000,000 (-)
(ii)	Loans Given		
	- Nimbus Projects Limited	- (-)	- (16,000,000)
(iii)	Refund of loans given		
	- Nimbus Projects Limited	- (-)	- (16,000,000)
(iv)	Security deposit towards premises on rent		
	- Nimbus Projects Limited	- (-)	468,000 (-)
(v)	Interest income		
	- Nimbus Projects Limited	- (-)	- (342,356)
(vi)	Interest Payable on loan		
	- Nimbus India Limited	- (-)	75,343 (-)
(vii)	Payable at year end		
	- Nimbus Projects Limited	- (-)	6,427 (-)
(viii)	Rent paid		
	- Nimbus Projects Limited	- (-)	352,409 (-)
(ix)	Remuneration		
	- Dr. B. Samal	2,352,000 (2,352,000)	- (-)

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

(8) Employee Benefits

A. Defined Contribution Plan

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

	31st March, 2011 Rs.	31st March, 2010 Rs.
Employer's contribution to Regional Provident Fund Commissioner	1,775,800	701,190
Employer's contribution to Family Pension Fund	129,586	242,408
Employer's contribution to Employees' State Insurance Corporation	533,440	-



B. Defined Benefit Plan

Gratuity Plan :	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
	Rs.	Rs.	Rs.	Rs.
	31st March, 2011		31st March, 2010	
i. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Present value of Defined Benefit Obligation as at the beginning of the year	571,821	81,733	301,389	-
Conversion to funded from unfunded	81,733	(81,733)	-	-
Interest Cost	52,285	-	21,097	-
Current Service Cost	280,561	598,069	202,537	162,220
Benefits paid	-	-	-	-
Net Actuarial (Gain)/Loss	(140,555)	(321,329)	46,798	(80,487)
Present value of Defined Benefit Obligation as at the end of the year	845,845	276,740	571,821	81,733

ii. Reconciliation of fair value of Plan Assets				
Fair value of Plan Assets as at the beginning of the year	840,794	N.A.	564,964	N.A.
Expected return on Plan Assets	81,159	N.A.	45,186	N.A.
Net Actuarial Gain / (Loss)	-	N.A.	-	N.A.
Employer's Contribution	377,982	N.A.	230,644	N.A.
Benefits paid	-	N.A.	-	N.A.
Fair value of Plan Assets as at the end of the year	1,299,935	N.A.	840,794	N.A.

The Group expects to contribute Rs. 231,619 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:

Bank Balance	11.62%	17.35%
Funds maintained with Life Insurance Corporation of India	88.38%	82.65%

Note : The Group 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	(845,845)	(276,740)	(571,821)	(81,733)
Fair value of Plan Assets	1,299,935	N.A.	840,794	N.A.
Net assets / (liabilities) recognised in the Balance Sheet	454,090	(276,740)	268,973	(81,733)

iv. Components of Employer's Expenses

Current Service Cost	280,561	598,069	202,537	162,220
Interest Cost	52,285	-	21,097	-
Expected return on Plan Assets	(81,159)	N.A.	(45,186)	N.A.
Net Actuarial (Gain)/ Loss	(140,555)	(321,329)	46,798	(80,487)
Total expense recognised in the Profit and Loss Account in Schedule "J" under: Contribution to provident fund and other funds	111,132	276,740	225,246	81,733
Actual return on Plan Assets	81,159	-	45,186	-

v. Actuarial Assumptions

	LIC (1994-96) (Ultimate)			
Discount rate	8%	8%	7%	8%
Expected rate of return on Plan Assets	7.14%	N.A.	8%	N.A.
Salary escalation	6%	7%	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 Net assets / (liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustment:

Gratuity

	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
	Rs.	Rs.	Rs.	Rs.
1. Present Value of Defined Benefit Obligation	1,122,585	653,554	301,389	146,473
2. Fair Value of Plan Assets	1,299,935	840,794	564,964	525,128
3. Funded Status [Surplus]	177,350	187,240	263,575	378,655
4. Net Asset	177,350	187,240	263,575	378,655
5. Experience adjustment arising on:				
a. Plan Liabilities [Loss]	(55,540)	46,798	58,345	14,599
b. Plan Assets [Loss]	9,804	5,639	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 for past three years since the date of implementing the Standard.

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

Note 1: The unfunded figures above pertain to subsidiary namely IIT Insurance Broking and Risk Management Private Limited and for the previous year for IITL Projects Limited

Note 2: The aforesaid disclosure is restricted to the Parent Company and available information in respect of subsidiaries.

(9) Out of total 10,000,000 (previous year: 10,000,000) Equity shares, 5,112,960 (previous year: 5,112,960) Equity shares are held by the Holding Company N.N.Financial Services Private Limited.

(10) Auditors' Remuneration

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
Audit fees	941,000	750,000
Tax Audit fees	25,000	25,000
Other services	2,512,060	663,731
Out of pocket expenses	19,093	-
Service tax	359,664	142,656
	<u>3,856,817</u>	<u>1,581,387</u>
Less: Service tax set off claimed	10,512	-
	<u>3,846,305</u>	<u>1,581,387</u>



(11) Segment information:

Primary segments - Business segments

(Amount in Rs.)

	2010-2011							2009-2010						
	Investment activities (Note below)	Insurance Broking	Real Estate activities	Investment Brokerage Services	Consultancy Services	Eliminations	Total	Investment activities (Note below)	Insurance Broking	Real Estate activities	Investment Brokerage Services	Consultancy Services	Eliminations	Total
A. REVENUE														
1. External Revenue	38,549,242	91,824,383	131,344,504	697,960	71,556,200	-	333,972,289	88,307,719	1,518,824	3,927,500	532,431	152,362,500	-	246,648,974
2. Inter-segment revenue	65,825,784	-	-	-	-	65,825,784	-	116,943,166	-	-	-	-	116,943,166	-
3a. Interest income (unallocated)							3,772,202							2,253,974
3b. Unallocated income							1,328,605							89,017
3c. Total 3a+3b							5,100,807							2,342,991
Total revenue							339,073,096							248,991,965
B. RESULTS														
1. Segment result	(5,683,388)	39,022,799	1,125,920	(8,003,129)	69,840,878	-	96,303,080	63,908,581	(10,744,612)	(5,449,959)	(2,232,514)	148,022,045	-	193,503,541
2. Unallocated expenses							984,767							3,865,059
3. Interest expense							105,353							-
4. Income (referred in A 3c above)							5,100,807							2,342,991
5. Profit before tax							100,313,767							191,981,473
6. Provision for taxation							(36,991,201)							(94,763,049)
Profit after tax (before adjusting minority interest)							63,322,566							97,218,424
C. OTHER INFORMATION														
1. Segment assets	573,091,767	45,267,112	1,603,037,433	70,676,340	-	-	2,292,072,652	594,255,989	14,037,302	249,830,087	57,663,929	-	-	915,787,307
2. Goodwill on consolidation							88,816,011							88,810,261
3. Investments							-							-
4. Deferred tax asset							560,403							308,062
5. Advance payment of income-tax (net of provisions)							38,361,473							23,662,344
6. Miscellaneous expenditure (to the extent not written off)							-							-
7. Other unallocated assets							14,271,404							7,698,331
8. Total assets							2,434,081,943							1,036,266,305
9. Segment liabilities	18,367,891	4,142,710	1,465,054,236	8,310,260	-	-	1,495,875,097	35,452,344	528,241	110,822,789	967,884	-	-	147,771,258
10. Share capital and reserves							892,580,884							847,353,409
11. Minority Interest							18,880,320							18,270,979
12. Deferred tax liability							1,605,347							1,511,187
13. Provision for income-tax/ fringe benefit tax (net of advance)							7,640,519							21,359,472
14. Other unallocated liabilities							17,499,776							-
15. Total liabilities							2,434,081,943							1,036,266,305
16. Cost incurred during the period to acquire Segment assets	72,970	8,523,870	1,985,235	1,361,797	-	-	11,943,872	45,905	3,935,339	736,673	2,689,782	-	-	7,407,699
17. Depreciation	474,339	4,184,837	145,341	1,378,238	-	-	6,182,755	750,994	1,528,650	222,636	1,731,955	-	-	4,234,235
18. Material Non-cash expenditure other than depreciation - Provision for diminution in value of Investments	17,393,897	-	-	-	-	-	17,393,897	2,002,576	-	-	-	-	-	2,002,576

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.



(12) Statement of information of Subsidiaries# in compliance with Section 212 of the Companies Act, 1956 as on 31st March, 2011

(Amount in Rs.)

	2010-2011				2009-2010			
	IITL Projects Limited	IIT Investrust Limited	IIT Insurance Broking and Risk Management Private Limited	IIT Media and Entertainment Private Limited	IITL Projects Limited	IIT Investrust Limited	IIT Insurance Broking and Risk Management Private Limited	IIT Media and Entertainment Private Limited
1. Capital	50,079,000	125,000,000	25,000,000	1,500,000	50,079,000	125,000,000	25,000,000	NA
2. Reserves	9,386,705	37,094,075	18,829,837	(199,336)	10,883,661	(20,144,085)	(11,213,940)	NA
3. Total Assets	295,449,180	178,701,332	58,271,489	1,308,937	251,925,047	135,355,562	14,513,997	NA
4. Total Liabilities	235,983,475	16,607,257	14,441,652	8,273	190,962,386	30,499,647	727,937	NA
5. Details of Investments								
-Equity shares in Joint Venture	46,643,506	-	-	-	-	-	-	NA
-Share in partnership Firm	50,000	-	-	-	-	-	-	NA
6. Turnover	132,733,151	72,967,082	88,810,342	-	3,927,500	159,515,560	1,518,824	NA
7. Profit before tax	(1,495,650)	65,580,400	36,689,991	(199,336)	(5,425,255)	151,543,557	(10,767,363)	NA
8. Provision for taxation	1,306	8,342,240	9,652,381	-	96,990	61,546,062	(194,292)	NA
9. Profit after tax	(1,496,956)	57,238,160	27,037,610	(199,336)	(5,522,245)	89,997,495	(10,573,071)	NA
10. Proposed Dividend	-	-	-	-	-	-	-	NA

Subsidiary as defined under section 4 of the Companies Act, 1956.

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

Signatures to Schedules "A" to "L"

For and on behalf of the Board of Directors

Dr. B. SAMAL
Chairman

BIPIN AGARWAL
Director

CUMI A. BANERJEE
CEO & Company Secretary

Mumbai :30th May, 2011

GROUP FINANCIAL HIGHLIGHTS : A TEN YEAR REVIEW

	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Dividend & Interest	19.28	22.65	67.30	18.42	67.59	99.77	149.53	255.93	182.01	146.45
Lease/Hire Purchase Income	-	-	-	-	-	-	0.16	4.32	5.00	5.83
Service charges	918.17	15.19	281.25	-	1.15	1.03	34.77	110.31	218.63	332.35
Finance & Commitment charges	233.50	282.45	296.15	279.13	58.72	21.80	5.51	5.92	27.82	63.26
Net profit on sale of Investments	10.13	146.20	533.77	(219.65)	(518.12)	7,115.34	1,952.51	487.76	415.68	334.92
Other Income	764.35	1,506.37	592.88	1,643.82	268.86	125.30	154.67	179.48	776.29	172.84
Total Income	1,945.43	1,972.86	1,771.35	1,721.72	(121.79)	7,363.24	2,297.15	1,043.72	1,625.43	1,055.65
Management expenses & Interest	909.14	346.83	1,166.68	265.79	1,458.99	974.81	3,350.14	1,020.40	1,683.37	911.43
Depreciation	46.59	22.79	9.84	9.70	40.23	27.39	34.00	57.89	63.75	92.20
Profit/(Loss) before tax	989.70	1,603.24	594.83	1,446.23	(1,621.01)	6,361.04	(1,086.99)	(34.57)	(121.69)	52.02
Profit/(Loss) after tax	704.71	1,272.02	506.77	1,283.53	(1,623.11)	6,082.84	(1,089.91)	(61.96)	(121.42)	78.03
Shareholders' funds	8,609.62	8,079.82	6,982.71	6,592.93	4,869.89	6,727.00	872.20	1,962.57	2,221.94	2,540.79
Investments	5,381.58	4,600.62	3,426.27	3,506.29	6,408.11	10,230.20	680.20	1,308.40	1,719.81	2,489.68
Dividend % (recommended/paid by Industrial Investment Trust Ltd.)	15.00	15.00	10.00	20.00	20.00	20.00	-	17.50	17.50	20.00

* On increased capital after issue of bonus shares in proportion of 1:1
" Group" means the Company and its 100% subsidiary.



IITL GROUP

Industrial Investment Trust Limited

Dear Shareholder

Sub : Green Initiative in Corporate Governance – Service of documents by electronic mode

The Ministry Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” allowing paperless compliance by Companies. In accordance with the recent Circular no. 17/2011 dated 21-04.2011 and Circular no. 18/2011 dated 29.04.2011 issued by the MCA, Companies can now send various notices and documents, including the Annual Report, to the shareholders through electronic mode to the registered e-mail addresses of shareholders.

Your Company appreciates this initiative and would like to enable conservation of paper thereby contributing to a Greener Environment. This initiative presents the shareholders of **Industrial Investment Trust Limited** with a unique opportunity to contribute towards Corporate Social Responsibility of the Company.

If you hold shares in demat form, we invite you to contribute to the cause by updating your email id details with your depository participant. In case you hold shares in physical form please complete the form given below and send it back to us.

Please note that as a member of the Company you are entitled to receive all such communication in physical form, upon request.

Best regards

Cumi Banerjee
CEO & Company Secretary

E-COMMUNICATION REGISTRATION FROM

(In terms of Circulars No. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

To,

Link Intime India Pvt. Ltd
Unit : **Industrial Investment Trust Limited**
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai 400 078

Dear Sir / Madam

Re : Green Initiative in Corporate Governance – Service of document by electronic mode

I/We agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through email.

Folio No.	:	_____
DP Id	:	_____
Client Id	:	_____
Name of the First Holder	:	_____
Name of Joint Holder	:	_____
Email Id (to be registered)	:	_____

I/We will keep the Company informed as and when there is any change in the e-mail address.

Date : _____

Signature of the first holder : _____

Important Notes :

1. Please fill in capital letters in legible handwriting.
2. Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address. Unless the e-mail ID is changed by you by sending another communication in writing, the Company will continue to send all notices / documents to you at the above mentioned e-mail ID.



IITL 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 Proxy Forms has been duly deposited with the Company)

I hereby record my presence at the 78th ANNUAL GENERAL MEETING of the Company at M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 001 on Saturday, September 10, 2011 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.



IITL 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

as my Proxy to attend and vote for me on my behalf at the 78th ANNUAL GENERAL MEETING of the Company to be held on Saturday, September 10, 2011 at 3.00 pm and at any adjournment thereof.

Signed this Day of2011.

Place :

AFFIX
Re. 1/-
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.

Book-Post

If undelivered, please return to :



INDUSTRIAL INVESTMENT TRUST LIMITED
14E, Rajabhadur Mansion, 2nd Floor,
28, Bombay Samachar Marg, Fort, Mumbai 400 001