

## 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.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given hereunder:

### 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#	Directorship in other listed entities
1	Dr. B. Samal	NI / E Executive Chairman	6	3	2	Independent Non-Executive Director: (a) Reliance Capital Limited (b) Vipul Limited Non-Independent Non-Executive Director: (a) IITL Projects Limited
2	Mr. Bipin Agarwal	NI / NE Promoter	6	1	1	Non-Independent Non-Executive Director: (a) IITL Projects Limited Managing Director: (a) Nimbus Projects Limited
3	Mr. Venkatesan Narayanan	I / NE	3	3	1	Independent Non-Executive Director, (a) IITL Projects Limited
4	Mr. Deb Kumar Banerjee	NI / NE Representative of LIC of India	Nil	Nil	Nil	Nil
5.	Ms. Sujata Chattopadhyay	I / NE	5	2	1	Independent Non-Executive Director: (a) IITL Projects Limited (b) Polygenta Technologies Limited (c) Vakrangee Limited (d) Steel Exchange India Limited

6.	Mr. Milind S. Desai (appointed w.e.f. February 12, 2019)	I / NE	2	2	1	Independent Non-Executive Director: (a) IITL Projects Limited
7.	Mr. Subhash C. Bhargava (resigned w.e.f. December 31, 2018)	I / NE	N.A.	N.A.	N.A.	N.A.

NI - Non Independent Director

I - Independent Director

NE - Non-Executive Director

E - Executive Director

\* Excludes alternate directorships, directorships in foreign companies, private limited companies and Companies under Section 8 of the Companies Act, 2013.

# Excludes Committees other than Audit Committee and Stakeholders' Relationship Committee of public limited companies.

#### Disclosure of relationship between directors inter-se

None of the Directors of the Company are related to each other.

#### Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors hold any shares or convertible instrument of the Company.

#### Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The CEO / CFO make presentations to the Board on matters including but not limited to the Company's performance, operations, plans, etc. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations.

The draft minutes of the Board and its Committees are sent to the Directors / Members of the Board / Committees for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting.

#### Information supplied to the Board

The Board has complete access to all information of the Company, including inter-alia, the information to be placed before the Board of Directors as required under the Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to the concerned Departments.

#### Skills / Expertise / Competence of the Board of Directors

The Board has identified the following skills / expertise /

competencies fundamental for the effective functioning of the Company which are currently available with the Board: Expertise in Financial sector (Banking and Non-Banking); Governance; Managerial and Entrepreneurial skills for Business Development. Our Chairman Dr. B. Samal has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India and has held many important posts during his vast career of 35 years in Banking and Finance.

#### Independent Directors

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the weblink of the Company viz. <http://www.iitlgroup.com/newStatic/AboutUs.aspx>

In the opinion of the Board, the Independent Directors of the Company fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the SEBI Listing Regulations and are independent of the management.

Mr. Subhash C. Bhargava, Independent Director resigned with effect from December 31, 2018 due to other commitments.

#### Board Meetings and Annual General Meeting

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

During the year 2018-2019, 7 Board Meetings were held i.e., on April 19, 2018, May 29, 2018, August 13, 2018, September 10, 2018, December 11, 2018, February 12, 2019 and March 18, 2019.

#### 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	7	Yes
Mr. Bipin Agarwal	6	Yes
Mr. Venkatesan Narayanan	7	Yes
Mr. Deb Kumar Banerjee	5	Yes
Ms. Sujata Chattopadhyay	6	Yes
Mr. Milind S. Desai#	1	Not Applicable
Mr. Subhash C. Bhargava*	5	Yes

# Appointed w.e.f. February 12, 2019

\* Resigned w.e.f. December 31, 2018

### 3. FAMILIARISATION PROGRAMME

The Company has formulated a Familiarisation Programme for Independent Directors with an aim to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., to provide them with better understanding of the business and operations of the Company and so as to enable them to contribute significantly to the Company.

The Company conducts periodical meetings and make presentations to familiarise Independent Directors with the strategy, operations and functions of the Company.

The details of the familiarisation programme have been disclosed on the website of the Company under the web link <http://www.iitlgroup.com/newStatic/AboutUs.aspx>.

### 4. GOVERNANCE CODES

#### Code of Conduct

As required by the Listing Regulations, the Board of Directors of the Company have adopted a Code of Conduct for all Board members which incorporates the duties of Independent Directors and Senior Management of the Company. In terms of Regulation 26(3) of the Listing Regulations, 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.

The full text of the Code is disclosed on the Company's weblink [http://www.iitlgroup.com/CODE\\_OF\\_CONDUCT\\_new.pdf](http://www.iitlgroup.com/CODE_OF_CONDUCT_new.pdf).

#### Code of Conduct for Prevention of Insider Trading

Your Company has adopted a Code of Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. All Designated Persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The full text of the Code is disclosed on the Company's weblink <http://www.iitlgroup.com/newStatic/AboutUs.aspx>

### 5. COMMITTEES OF THE BOARD

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 February 12, 2019. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of the Regulation 18 of the Listing Regulations.

During the year under review, six meetings of the Audit Committee were held, the dates being April 19, 2018, May 29, 2018, August 13, 2018, September 10, 2018, December 11, 2018 and February 12, 2019.

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. Milind S. Desai#	Chairman	1
Mr. Subhash C. Bhargava*	Chairman	5
Mr. Deb Kumar Banerjee	Member	4
Mr. Venkatesan Narayanan	Member	6

# Appointed as a Member / Chairman of Audit Committee on February 12, 2019

\* Ceased to be Member / Chairman of Audit Committee on December 31, 2018

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

Mr. Subhash C. Bhargava, the then Chairman of Audit Committee was present at the Annual General Meeting held on September 21, 2018.

The representatives of Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings at the discretion of the Committee Members. They have attended four Audit Committee meetings out of six meetings held during the year.

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

**Terms of Reference:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing and examination, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management

- d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified Opinion in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as prescribed by the Board of Directors from time to time.

**b) Nomination and Remuneration Committee:**

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Committee was last reconstituted on February 12, 2019.

**The Key Objectives of the Committee**

- i) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- iii) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

During the year under review, four meetings of the Nomination and Remuneration Committee were held on April 19, 2018, August 13, 2018, February 12, 2019 and March 18, 2019.

The composition and attendance of members at the Committee Meeting as on March 31, 2019 are as follows:

Nomination and Remuneration Committee Members	Status	No. of Nomination and Remuneration Committee Meetings Attended
Mr. Milind S. Desai#	Chairman	1
Mr. Subhash C. Bhargava*	Chairman	2
Mr. Deb Kumar Banerjee	Member	3
Mr. Venkatesan Narayanan	Member	4

# Appointed as a Member / Chairman of Nomination and Remuneration Committee on February 12, 2019

\* Ceased to be Member / Chairman of Nomination and Remuneration Committee on December 31, 2018

**Terms of Reference:**

- a. Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommendation to the Board about their appointment and removal and carrying out evaluation of every Director's performance;
- b. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- c. Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating the policy the Committee to ensure that the:
  - i. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- d. In cases where any services rendered by a Director are of a professional nature to opine whether the Director possesses the requisite qualification for the practice of the profession;
- e. Approve the payment of remuneration of Executive Chairman / Managing Director or Whole-time Director or a Manager (Managerial Person) for the purposes of Section II (dealing with remuneration payable by companies having no profit or inadequate profit without Central Government approval) of Part II of the Schedule V (under sections 196 and 197) of the Companies Act, 2013.
- f. to look into the entire gamut of remuneration package for the working Director(s) and revise their remuneration suitably within the limits prescribed under the Companies Act, 2013 or any rules or amendments thereto, with power to consider fixing/ re-fixing salaries, perquisites and other terms of remuneration of the working Director(s) of the Company subject to approval of shareholders, where necessary;
- g. to decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company;

- h. to attend to such other matters and functions as may be prescribed from time to time.

#### Evaluation

The Committee carries out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel once a year.

#### Performance evaluation of Independent Directors

The Nomination and Remuneration Committee of the Board laid down the evaluation criteria for performance of all its Directors including the Independent Directors. The performance evaluation of the Independent Directors has been done by the entire Board of Directors, except the Director concerned being evaluated. Some of the performance indicators, based on which the independent directors, are evaluated include:

- Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
- The ability to contribute to and monitor our corporate governance practices
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
- Interpersonal relations with other directors and management
- Objective evaluation of Board's performance, rendering independent, unbiased opinion
- Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction

#### Pecuniary transactions with non-executive directors

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company under section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

#### Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company. The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a Remuneration Policy providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The detailed Nomination and Remuneration Policy is placed on [http://www.iitlgroup.com/newStatic/Nomination\\_Remuneration\\_Policy.pdf](http://www.iitlgroup.com/newStatic/Nomination_Remuneration_Policy.pdf)

#### Details of remuneration paid to the Executive Chairman for the year 2018-2019 are given below:

Name	Salary	Perquisites	Contribution to P.F	Total
	₹	₹	₹	₹
Dr. B. Samal	36,00,000/-	15,00,000/-	4,32,000/-	55,32,000/-

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

Details of remuneration paid to Non-Executive Directors for the year 2018-2019 are given below:

#### Sitting Fees (excluding GST)

Name	Board Meetings	Committee Meetings	Total
	₹	₹	₹
Mr. Bipin Agarwal	1,80,000/-	1,80,000/-	3,60,000/-
Mr. Venkatesan Narayanan	2,10,000/-	6,00,000/-	8,10,000/-
Mr. Deb Kumar Banerjee (Representative of LIC of India)	1,50,000/-	2,40,000/-	3,90,000/-
Ms. Sujata Chattopadhyay	1,80,000/-	30,000/-	2,10,000/-
Mr. Milind S. Desai#	60,000/-	1,20,000/-	1,80,000/-
Mr. Subhash C. Bhargava*	1,50,000/-	3,30,000/-	4,80,000/-
Total	9,30,000/-	15,00,000/-	24,30,000/-

# Appointed w.e.f. February 12, 2019

\* Resigned w.e.f. December 31, 2018

Mr. Bipin Agarwal holds 25,000 equity shares in the Company and none of the remaining Directors hold any equity share of the Company as on March 31, 2019.

#### Stock Option

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

**c) Stakeholders Relationship Committee (SRC)**

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee was last re-constituted on February 09, 2017.

During the year under review, two meetings of the Stakeholders Relationship Committee were held on May 04, 2018 and October 30, 2018

The composition and attendance of members at the SRC Meetings as on March 31, 2019 are as follows:

Stakeholders Relationship Committee Members	Status	No. of Stakeholders Relationship Committee Meetings Attended
Mr. Venkatesan Narayanan	Non Executive Director - Chairman	2
Dr. B. Samal	Member	2
Mr. Deb Kumar Banerjee	Member	1

This Committee:

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

To expedite share transfer process, the Board has authorised the CEO & Company Secretary to approve share transfer / transmission / consolidation / split / deletion up to five thousand shares. Requests for share transfer / transmission / consolidation / split / deletion for more than five thousand shares and issue of duplicate share certificates are approved by the SRC. Transfer formalities have been attended at least once in a fortnight.

- Name and designation of Compliance Officer: Ms. Cumi Banerjee  
CEO & Company Secretary
- No. of shareholders' complaints received: 3
- No. of shareholders' complaints resolved: 3
- No. of complaints not resolved to the satisfaction of the shareholders: Nil
- Pending complaints as on 31.03.2019: Nil

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

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

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

The Board had constituted a Risk Management Committee on June 26, 2006.

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

The Committee was last re-constituted on February 12, 2019.

During the year under review, 5 meetings of Committee for Investments / Loans and Risk Management were held on May 29, 2018, August 13, 2018, November 13, 2018, December 11, 2018 and February 12, 2019

The composition and attendance of members at the Committee for Investments / Loans and Risk Management Meetings as on March 31, 2019 are as follows:

Committee for Investments / Loans and Risk Management Members	Status	No. of Committee for Investments / Loans and Risk Management Meetings Attended
Mr. Milind S. Desai#	Chairman	1
Mr. Subhash C. Bhargava*	Chairman	4
Dr. B. Samal	Member	5
Mr. Bipin Agarwal	Member	5

# Appointed w.e.f. February 12, 2019

\* Resigned w.e.f. December 31, 2018

**e) Corporate Social Responsibility Committee (CSR)**

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted on May 20, 2014.

During the year under review, one meeting of Corporate Social Responsibility Committee was held on August 13, 2018.

The Company has formulated CSR Policy, which is uploaded on the Website of the Company (Weblink: [http://www.iitlgroup.com/newStatic/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.iitlgroup.com/newStatic/Corporate_Social_Responsibility_Policy.pdf)).

The composition and attendance of members at the Corporate Social Responsibility Committee Meetings as on March 31, 2019 are as follows:

Corporate Social Responsibility Committee Members	Status	No. of Corporate Social Responsibility Committee Meetings Attended
Dr. B. Samal	Chairman	1
Mr. Bipin Agarwal	Member	1
Mr. Venkatesan Narayanan	Member	1

**f) Asset Liability Management Committee**

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

The Committee was last re-constituted on August 13, 2018.

During the year under review, 4 meetings of Asset Liability Management Committee were held on May 25, 2018, September 10, 2018, December 07, 2018 and March 18, 2019.

**g) IT Strategy Committee**

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with its corporate strategies, Board policy reviews, cyber security arrangements and any other matter related to IT governance.

The Board has constituted '**IT Strategy Committee**' on February 10, 2018 consisting of an Independent Director, Chief Executive Officer (CEO), Chief Information Officer (CIO) and Chief Technology Officer (CTO) to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance. The said Committee was re-constituted on August 13, 2018 with Chief Financial Officer as an additional Member.

During the year under review, 2 meetings of IT Strategy Committee were held on June 26, 2018 and December 24, 2018.

**6. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS**

**a) Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under the

Listing Regulations.

**b) Separate Meeting of Independent Directors**

During the year under review, the Independent Directors met on March 18, 2019, inter alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- ii) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- iii) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**c) Subsidiary Companies**

As per clause (c) of sub-regulation (1) of Regulation 16 of the Listing Regulations "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company has formulated a Policy for determining Material Subsidiaries. The policy is available on the website of the Company. (Weblink: [http://www.iitlgroup.com/newStatic/Policy\\_for\\_Determining\\_Material\\_Subsiidiaries.pdf](http://www.iitlgroup.com/newStatic/Policy_for_Determining_Material_Subsiidiaries.pdf)).

As on March 31, 2019, there is no material unlisted subsidiary of the Company.

The unlisted subsidiary companies are managed by their separate Board of Directors, who are empowered to exercise the rights and perform the duties for efficient monitoring and management of the unlisted subsidiary companies. The Company oversees and monitors the performance of subsidiary companies by following means:

- i. The Audit Committee reviews the financial statements and, in particular the investments made by the unlisted subsidiary companies.
- ii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary companies are placed before the Board of Directors of the Company.
- iii. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Board of Directors of the Company.

**d) Disclosures - Related Party transactions**

As per Section 188 of the Companies Act 2013 and Regulation 23 of the Listing Regulations, all the Related Party transactions were on arm's length basis and the same were duly approved by the Audit Committee.

Sub-regulation (1) of Regulation 23 of SEBI Listing Regulations explains that "A transaction with a related

party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.”

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

As required under Listing Regulations, the Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. The policy is available on the website of the Company. (Weblink: [http://www.iitlgroup.com/newStatic/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.iitlgroup.com/newStatic/Related_Party_Transaction_Policy.pdf)).

**e) Vigil Mechanism/ Whistle Blower Policy**

As required by the Companies Act, 2013 and Regulation 22 of the Listing Regulations, your Company has formulated a Vigil Mechanism/ Whistle Blower Policy to maintain the standard of ethical, moral and legal conduct of business operations. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees or Directors or any other person to avail of the mechanism and also provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that no Director/ employee/ any other person has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website under the web link [http://www.iitlgroup.com/newStatic/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](http://www.iitlgroup.com/newStatic/Vigil_Mechanism_Whistle_Blower_Policy.pdf) and circulated to all the Directors / employees.

**f) Disclosure of Accounting Treatment**

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the same as specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable and Non-Banking Financial Company - Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

**g) 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.

**h) CEO / CFO Certification**

In terms of the requirements of Regulation 17(8) of the Listing Regulations, the Executive Chairman, Dr. B. Samal, CEO & Company Secretary, Ms. Cumi Banerjee and Mr. Hemang Ladani, Group CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said regulations.

This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 23, 2019 and enclosed here as “Annexure - A”.

**i) Non-mandatory requirements**

Besides complying with mandatory requirements of the Listing Regulations, the Company has also complied with the following non-mandatory requirements of Listing Regulations.

**i) Audit Qualifications**

The Company continues to remain in the regime of unqualified financial statements and submits a Declaration with regard to Audit Reports on Standalone & Consolidated Financial Results for the year ended March 31, 2019 with unmodified opinion to the Stock Exchanges.

**ii) Separate posts of Chairman and Chief Executive Officer (CEO)**

Separate persons have been appointed as Chairman and Chief Executive Officer of the Company.

**iii) Reporting by internal auditor**

The internal auditor reports directly to the Audit Committee.

**7. GENERAL BODY MEETINGS / POSTAL BALLOT**

Location and time where last three AGMs were held:

Sr. No.	Date	Location	Time	Special Resolution passed
1.	September 21, 2018	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	2.15 p.m.	1) Re-appointment of Dr. B. Samal as Executive Chairman. 2) Resolution for fixation of fee for delivery of document through a particular mode. 3) Raising of funds through issuance of Equity Shares and / or other convertible securities including debentures by way of Preferential Allotment / QIP Issue upto a limit of INR 50 Crores
2.	September 23, 2017	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	2.15 p.m.	Nil
3.	September 16, 2016	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	2.30 p.m.	Nil



## 8. OTHER DISCLOSURES:

### a) Related Party Transactions:

All transactions entered into by the Company with related parties, during the financial year 2018-19, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Note No. 40 to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and Regulation 23 of the Listing Regulations. The Audit Committee, during the financial year 2018-19, has approved Related Party Transactions in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on Related Party Transactions has been placed and can be accessed on the Company's weblink: ([http://www.iitlgroup.com/newStatic/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.iitlgroup.com/newStatic/Related_Party_Transaction_Policy.pdf)).

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

c) The Company has complied with all applicable mandatory requirements in terms of SEBI Listing Regulations. A report on compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review.

### d) Review of Directors' Responsibility Statement

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended March 31, 2019 have been prepared as per applicable Indian Accounting Standards (IND AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

e) The Company has obtained a Certificate from M/s Chandanbala Jain & Associates, Company Secretaries that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Board / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate is enclosed to the Report on Corporate Governance as "Annexure - B".

f) The Board of Directors of the Company has accepted the all recommendations made by all the Committees.

g) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditor, M/s Chaturvedi & Shah LLP, Chartered Accountants, for the year ended March 31, 2019 are as under:

Particulars	(Amount ₹ in Lacs)
Audit Fees	10.00
Taxation Matters	--
Company Law Matters	--
Other Services	12.50
Out of Pocket Expenses	--
GST Expenses	2.69
<b>Total</b>	<b>25.19</b>

h) Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1.	Number of complaints filed during FY 2018-2019	Nil
2.	Number of complaints disposed off during FY 2018-2019	Nil
3.	Number of complaints pending as on end of FY 2018-2019	Nil

i) Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under Regulation 32(7A)

The company does not have funds raised through preferential allotment and / or QIP which are unutilised.

## 9. MEANS OF COMMUNICATION

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

b) The Company has not made any presentation to any institutional investor or to any analyst during the year.

c) Management Discussion and Analysis Report forms part of the Directors' Report.

d) The Company has its website namely [www.iitlgroup.com](http://www.iitlgroup.com). Annual Report of the Company shall be available on the website in a user friendly and downloadable form. The quarterly / half yearly results are also available on the Company's website.

## 10. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date & Time : Saturday, September 21, 2019 at 2.15 p.m.  
Venue : M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg Mumbai 400 001.

### b) Financial Year : 2019-2020

Adoption of Quarterly Results for

Quarter ending	In the month of (Tentative)
----------------	-----------------------------

June 2019	: On or before August 14, 2019*
September 2019	: On or before November 14, 2019
December 2019	: On or before February 14, 2020
March 2020	: On or before May 30, 2020

(Audited annual results)

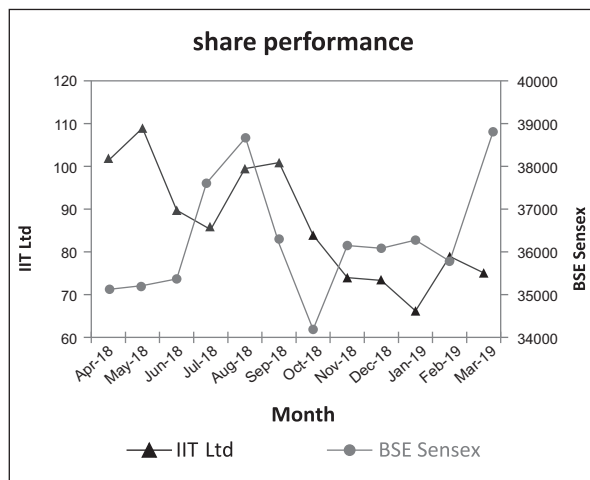
\* Held on August 19, 2019

- c) **Book Closure period** : September 14, 2019 to September 21, 2019
- d) **Listing on Stock Exchange** : BSE Limited, Dalal Street, Mumbai 400 001  
The National Stock Exchange of India Limited (NSE)  
BKC, Bandra (E), Mumbai 400051
- Listing fees, as prescribed, have been paid to the BSE and NSE up to March 31, 2019.
- e) **Stock Code at BSE** : 501295  
**NSE Stock Symbol** : IITL
- f) **Stock price data at the BSE and NSE**

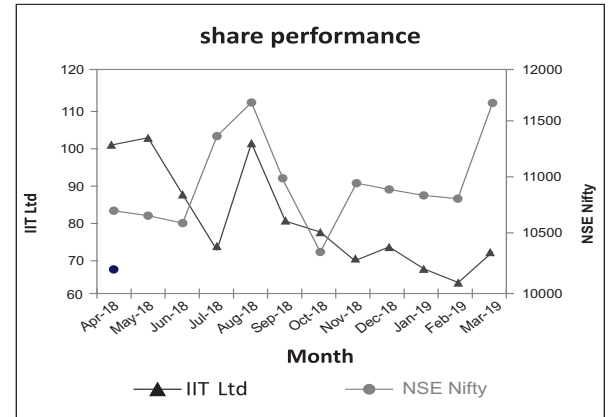
Month	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April, 2018	119.00	97.75	103.00	127.25	95.00	103.00
May, 2018	139.45	95.05	109.65	139.80	101.00	103.50
June, 2018	104.20	85.55	90.00	101.85	82.20	88.95
July, 2018	95.00	78.00	85.00	88.75	71.75	73.00
August, 2018	103.60	77.30	99.05	102.90	76.65	101.15
September, 2018	103.95	93.90	100.95	105.95	81.50	81.70
October, 2018	95.95	84.95	84.95	92.00	75.00	77.00
November, 2018	88.80	74.50	74.50	87.90	68.05	70.00
December, 2018	78.20	66.00	74.25	80.00	66.55	74.95
January, 2019	75.00	65.90	65.90	75.00	65.55	68.90
February, 2019	78.50	62.75	78.25	73.45	57.55	63.25
March, 2019	75.65	68.30	75.65	76.95	60.35	73.75

g) **Graph**

Share Price / BSE (Monthly Closing)



Share Price / NSE (Monthly Closing)



h) **Registrar and Transfer Agents**

Link Intime India Private Limited  
C - 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai - 400 083. Tel. No.: 022 49186000 / 49186270

i) **Share Transfer System**

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

j) **Details of Shares transferred to IEPF Authority during 2018-19**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In pursuance to IEPF Rules, 10745 Shares constituting 25 Folios were transferred to IEPF Authority during 2018-19.

The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

k) **Distribution of shareholding as on March 31, 2019**

Grouping of Shares	No. of Shareholders	% of total shareholders	No. of Shares per Category	% of total shares
1 - 500	1546	76.19	2,24,242	1.00
501 - 1000	191	9.41	1,64,548	0.73
1001 - 2000	119	5.87	1,84,687	0.82
2001 - 3000	59	2.91	1,51,852	0.67
3001 - 4000	16	0.79	57,287	0.25
4001 - 5000	27	1.33	1,31,395	0.58
5001 - 10000	35	1.73	2,59,046	1.15
10001 - 22547550	36	1.77	2,13,74,493	94.80
<b>TOTAL</b>	<b>2029</b>	<b>100.00</b>	<b>2,25,47,550</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2019**

Category	No. of shares held	% of shareholding
Promoters	94,32,067	41.83
Foreign Company	-	-
Non Resident Indian (Non Repat & Repat)	35,124	0.15
Foreign Institutional Investors	-	-
Insurance Companies	11,92,248	5.29
Financial Institutions / Banks	69,980	0.31
Mutual Funds	-	-
Central Government / State Government(s)	46,396	0.21
Resident Individuals	13,45,570	5.97
Clearing Member	11,631	0.05
Trusts	47,767	0.21
Other bodies corporate	2,38,314	1.06
Hindu Undivided Family	80,967	0.36
NBFCs registered with RBI	154	0.00
Investor Education And Protection Fund Authority Ministry of Corporate Affairs	2,69,782	1.20
Shares held by custodians and against which Depository Receipts have been issued	97,77,550	43.36
<b>TOTAL</b>	<b>2,25,47,550</b>	<b>100.00</b>

**l) Dematerialisation**

The Company has entered into agreements with National Security Depository Limited and Central Depository Services (India) Limited for the dematerialisation of shares. As on March 31, 2019, a total of 2,20,42,440 shares, which forms 97.76% of the share capital of the Company stands dematerialized and 5,05,110 shares which forms 2.24% of the share capital are in physical form.

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

On June 15, 2012, the Company had issued 48,88,775 Global Depository Receipts (GDRs), each GDR representing two Equity Shares of ₹ 10/- each. The GDRs issued by the Company are listed on the Luxembourg Stock Exchange. As on March 31, 2019, the total outstanding GDRs stood at 48,88,775.

Outstanding GDRs as on March 31, 2019 represent 97,77,550 Equity Shares constituting 43.36 % of Company's paid-up Equity Share Capital. Each GDR represents two underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered at any time and converted into the underlying equity shares in the Company. The shares so released in favour of the investors upon surrender of GDRs can either be held by investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent the shares so sold in Indian markets, GDRs can be reissued under the available head-room.

**n) Commodity price risk and foreign exchange risk and hedging activities**

The Company is not exposed to any commodity price / foreign exchange risk. No hedging activities were carried out by the Company during the financial year 2018-2019.

**o) Plant Location**

The Company does not have a manufacturing plant.

**p) 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 - 101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai - 400 083  
Tel. No.: 022 49186000 / 49186270

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

**Address of Registered Office**

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

**Contact Person**

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

**q) Credit Rating**

The Company has not obtained any Credit Ratings during the year ended March 31, 2019

**Certificate on Corporate Governance**

As required in Schedule V of the Listing Regulations, a Certificate on Corporate Governance issued by M/s Chandanbala Jain & Associates, Practicing Company Secretaries (CP No. 6400) is published as "Annexure - C" to this 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 personnel.

On behalf of the Board of Directors

**Dr. B. Samal**  
Chairman  
(DIN: 00007256)

Place : Mumbai  
Date: August 19, 2019

**Annexure A**

**CERTIFICATE**  
**[UNDER REGULATION 17 (8) OF SECURITIES AND EXCHANGE BOARD OF INDIA**  
**(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

To,

The Board of Directors  
Industrial Investment Trust Limited  
Mumbai

This is to certify that:

- a) We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee

- (i) significant changes, if any, in internal control during the year;
- (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) We have not come across any instances of fraud or fraudulent activities during the year.

Dr. B Samal  
Chairman

Cumi Banerjee  
CEO & Company Secretary

Hemang Ladani  
Chief Financial Officer

Place : Mumbai  
Date : May 23, 2019

**Annexure B**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing  
Obligations and Disclosure Requirements) Regulations, 2015]**

To,

The Members of  
Industrial Investment Trust Limited  
Rajabhadur Mansion, 2nd Floor  
28 Bombay Samachar Marg  
Fort, Mumbai 400 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Industrial Investment Trust Limited having CIN L65990MH1933PLC001998 and having registered office at Rajabhadur Mansion, 2nd Floor, 28 Bombay Samachar Marg, Fort, Mumbai 400 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of the Director	DIN	Date of Appointment in Company
1	Dr. Bidhubhusan Samal	00007256	05.03.2008
2	Mr. Bipin Agarwal	00001276	08.01.2008
3	Mr. Venkatesan Narayanan	00765294	18.05.2009
4	Mr. Deb Kumar Banerjee	07326051	07.11.2015
5	Ms. Sujata Chattopadhyay	02336683	26.09.2017
6	Mr. Milind S. Desai	00326235	12.02.2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chandanbala Jain & Associates  
Practicing Company Secretaries

Chandanbala O. Mehta  
Proprietor  
FCS No. 6122, C P No. 6400

Place: Mumbai  
Date: August 19, 2019

**Annexure C**

**Auditors' Certificate on Corporate Governance**

The Members of  
Industrial Investment Trust Limited  
Rajabhadur Mansion, 2nd Floor  
28 Bombay Samachar Marg  
Fort, Mumbai 400 001

We have examined the compliance of conditions of Corporate Governance by Industrial Investment Trust Limited, for the year ended on March 31, 2019, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Chandanbala Jain & Associates**

Practicing Company Secretaries

Chandanbala O. Mehta  
Proprietor

FCS No. 6122, C P No. 6400  
Place: Mumbai  
Date: August 19, 2019