

September 21, 2016

The Manager  
Listing Department  
BSE Limited  
Dalal Street  
Mumbai – 400 001

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
BKC, Bandra (E), Mumbai 400 051

**BSE Code: 501295**

**NSE Scrip Symbol: IITL**

**Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

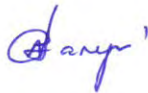
**Sub: Annual Report for the Financial Year 2015-2016**

In compliance with Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the Annual Report of the Company for the Financial Year 2015-2016.

You are requested to take the same on record.

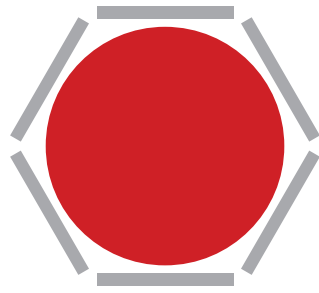
Thanking you,

Yours faithfully,  
For **Industrial Investment Trust Limited**



**Cumi Banerjee**  
**CEO & Company Secretary**

Encl: A/a



**IITL GROUP**

Industrial  
Investment  
Trust  
Limited

2016

83<sup>rd</sup>  
Annual Report  
2015 - 2016

## **ANNUAL GENERAL MEETING**

Date  
**Friday, September 16, 2016**

Time  
**2.30 p.m.**

Venue:  
**M.C. Ghia Hall, 4th floor,  
Bhogilal Hargovindas Building,  
18/20 K. Dubash Marg, Mumbai 400 001**

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**INDUSTRIAL INVESTMENT TRUST LIMITED**  
**CIN: L65990MH1933PLC001998**

|                                                  |   |                                                                                                 |                           |
|--------------------------------------------------|---|-------------------------------------------------------------------------------------------------|---------------------------|
| <b>BOARD OF DIRECTORS</b>                        | : | Dr. B. Samal                                                                                    | - Chairman                |
|                                                  |   | Mr. Bipin Agarwal                                                                               |                           |
|                                                  |   | Mr. R. S. Loona                                                                                 | - Upto June 21, 2016      |
|                                                  |   | Mr. Venkatesan Narayanan                                                                        |                           |
|                                                  |   | Mr. Subhash Bhargava                                                                            |                           |
|                                                  |   | Mrs. Bhagyam Ramani                                                                             |                           |
|                                                  |   | Mr. Deb Kumar Banerjee                                                                          | - Nominee of LIC India    |
|                                                  |   | Ms. Cumi Banerjee                                                                               | - CEO & Company Secretary |
|                                                  |   | Mr. Kaushik Desai                                                                               | - Chief Financial Officer |
| <b>BANKERS</b>                                   | : | Axis Bank Limited                                                                               |                           |
|                                                  |   | Union Bank of India                                                                             |                           |
|                                                  |   | HDFC Bank Limited                                                                               |                           |
| <b>AUDITORS</b>                                  | : | Deloitte Haskins & Sells                                                                        |                           |
|                                                  |   | Chartered Accountants<br>(Registration No. 117365W)                                             |                           |
| <b>REGISTRAR &amp; SHARE<br/>TRANSFER AGENTS</b> | : | Link Intime India Private Limited                                                               |                           |
|                                                  |   | C-13, Pannalal Silk Mills Compound,                                                             |                           |
|                                                  |   | L. B. S. Marg, Bhandup (W),                                                                     |                           |
|                                                  |   | Mumbai 400 078                                                                                  |                           |
|                                                  |   | Tel: 022 25946970 – Investor Cell                                                               |                           |
|                                                  |   | Email address: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> |                           |
|                                                  |   | Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>                         |                           |
| <b>REGISTERED OFFICE</b>                         | : | 14E, Rajabhadur Mansion, 2nd Floor,                                                             |                           |
|                                                  |   | 28, Bombay Samachar Marg,                                                                       |                           |
|                                                  |   | Fort, Mumbai 400 001                                                                            |                           |
|                                                  |   | Tel: 022 43250100                                                                               |                           |
|                                                  |   | Email address: <a href="mailto:iitl@iitlgroup.com">iitl@iitlgroup.com</a>                       |                           |
|                                                  |   | Website: <a href="http://www.iitlgroup.com">www.iitlgroup.com</a>                               |                           |

## **NOTICE**

NOTICE is hereby given that the Eighty Third Annual General Meeting of the Members of Industrial Investment Trust Limited will be held at **M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 on Friday, September 16, 2016 at 2:30 p.m.** to transact the following business :

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bipin Agarwal (DIN: 00001276), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014 (the Rules), including any modification(s) or re-enactment(s) thereof for the time being in force, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W) who have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby re-appointed as Statutory Auditors of the

### **5. Approval of Related Party Transactions under Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015**

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

**“RESOLVED THAT** in supersession of the resolution passed at the Annual General Meeting held on September 16, 2015 in this regard and pursuant to the provisions of Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 governing the Related Party Transactions and such other rules as may be applicable and amended from time to time, consent of the Members of the Company be and is hereby accorded for the transactions hitherto entered or to be entered into by the Company in the ordinary course of business and at arm's length price with the Related Parties of the Company, which exceeds the threshold limit of 10 percent of annual consolidated turnover of the Company for the financial year 2016-2017 and for every financial year thereafter, upto the maximum limits as set out in the table here under:

| Particulars                                             | Maximum limits as set out for Investment / Loans / Guarantees |                                                         |                         |                                       |                       |                                    |                                    |                                    |                                    |
|---------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------|-------------------------|---------------------------------------|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                         | IITL Projects Limited                                         | IIT Insurance Broking & Risk Management Private Limited | IIT Investtrust Limited | Capital InfraProjects Private Limited | World Resorts Limited | MRG Hotels Private Limited         | IITL-Nimbus the Palm Village       | IITL-Nimbus the Hyde Park          | IITL-Nimbus the Express Park View  |
| Relationship with the Related Party                     | Subsidiary Company                                            | Wholly Owned Subsidiary Company                         | Subsidiary Company      | Entity under Significant Influence    | Associate Company     | Entity under Significant Influence | Entity under Significant Influence | Entity under Significant Influence | Entity under Significant Influence |
| Maximum limits of Investment upto                       | --                                                            | --                                                      | --                      | --                                    | --                    | --                                 | --                                 | --                                 | --                                 |
| Giving of Loans                                         | ₹75 Crores                                                    | ₹20 Crores                                              | ₹10 Crores              | ₹10 Crores                            | ₹10 Crores            | ₹10 Crores                         | ₹35 Crores                         | ₹35 Crores                         | ₹50 Crores                         |
| Corporate Guarantees issued / to be issued on behalf of | ₹50 Crores                                                    | Nil                                                     | Nil                     | Nil                                   | ₹50 Crores            | Nil                                | Nil                                | Nil                                | Nil                                |

Company for the Financial Year 2016-2017 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2017 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

### **SPECIAL BUSINESS**

#### **4. Appointment of Mr. Deb Kumar Banerjee (DIN:07326051) as a Non Executive / Non Independent Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (the Act) read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules) including any statutory modification or re-enactment or thereof for the time being in force, Mr. Deb Kumar Banerjee, the LIC Nominee having DIN:07326051, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 07.11.2015, pursuant to Section 161 of the Act and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting of the Company, who being eligible offers himself for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act, from a Member proposing the candidature of Mr. Deb Kumar Banerjee for the office of Director, be and is hereby appointed as a Director of the Company in the category of Non Executive / Non Independent Director.”

**RESOLVED FURTHER THAT** approval of Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution."

**6. Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 read with Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with IIT Investtrust Limited**

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modifications(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for ratification of renewal of the leave & license agreement with IIT Investtrust Limited for occupation of their residential premises being Flat Nos. 1101 and 1101A situated on the 11th Floor of the building Lokhandwala Galaxy, Byculla, Mumbai for a further period of 33 months with effect from August 21, 2016 at a monthly rent of ₹1,25,000/- for the purpose of accommodation of the Company's Chairman.

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

**7. Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 read with Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with IIT Insurance Broking and Risk Management Private Limited**

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modifications(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for ratification of occupation of the residential premises of company's wholly owned subsidiary, IIT Insurance Broking and Risk Management Private Limited, being Flat no. 702 on the 7th Floor of Shivam Building situated at 8 Babulnath Road, Near Babulnath Temple, Mumbai 400 007 on leave & license basis for a period of 33 months with effect from August 16,

2016 on a monthly rent of ₹2,00,000/-for accommodation of the Company's officials.

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

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

Cumi Banerjee  
CEO & Company Secretary

Mumbai : August 09, 2016

**Registered Office :**

14E, Rajabhadur Mansion, 2nd Floor,  
28, Bombay Samachar Marg,  
Mumbai 400 001  
CIN: L65990MH1933PLC001998  
E-mail address: iitl@iitlgroup.com  
Website: www.iitlgroup.com

**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.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.**

2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 10, 2016 to Friday, September 16, 2016 (both days inclusive).
3. 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.
4. 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 dematerialised form, they must quote their Client ID Number and DP ID Number.



5. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
6. 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.
7. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend amount for the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on September 16, 2015 (date of the last Annual General Meeting) on the website of the Company viz. [www.iitlgroup.com](http://www.iitlgroup.com) and the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Members who have not encashed their dividend warrants for the year 2008-2009 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 IEPF 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.

8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Registrar and Share Transfer Agents (RTA) of the Company.
9. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. A route map showing the directions to reach the venue of the 83rd AGM is given on the cover page at the end of this Annual Report as per the requirements of the "Secretarial Standard - 2" on General Meetings.
12. **E-Voting:** In terms of and in compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its

shareholders with facility to exercise their right to vote at the 83rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

### A. The instructions for members for voting electronically:-

- (i) The Members can cast their vote through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL). Apart from providing remote e-voting facility, the Company is also providing facility for voting by Ballot at the AGM for all those members who shall be present at the AGM but have not casted their votes by availing the remote e-voting facility.
- (ii) The remote e-voting period begins on Tuesday, September 13, 2016 (9.00 a.m.) and ends on Thursday, September 15, 2016 (5.00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 09, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) Any person who becomes a Member of the Company after the date of the Notice of AGM and holding shares as on the cut-off date/entitlement date i.e. September 09, 2016, may obtain the User ID and Password by sending an email request to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Members may also call on 91-22-43250100 or send a request to The Company Secretary of the Company by writing to her at Industrial Investment Trust Limited, 14E, Rajabhadur Mansion, 2nd Floor, 28, Bombay SamacharMarg, Fort, Mumbai- 400001.
- (v) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (vi) Click on "Shareholders" tab.
- (vii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 character DP ID followed by 8 digits client ID,
  - c. Members holding shares in physical form should enter folio number registered with the Company.
- (viii) Next enter the Image Verification as displayed and Click on Login.

- (ix) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (x) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (xi) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                               | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                                                               | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Dividend Bank Details                                             | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter member id/folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>                                                                                                                                                                                                                                                               |

- (xii) After entering these details appropriately, click on "SUBMIT" tab.

- (xiii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for 'Industrial Investment Trust Limited'.
- (xvi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xviii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xxi) After entering these details appropriately, click on 'SUBMIT' tab.
- (xxii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**



(xxiii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

(xxiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxv) The Notice of the AGM for the Financial Year ended March 31, 2016 is available on Company's website [www.iitlgroup.com](http://www.iitlgroup.com) and on the CDSL's website [www.cdslindia.com](http://www.cdslindia.com).

- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 09, 2016.
- C. Ms.Chandanbala O. Mehta, Practising Company Secretary (Membership No. F6122) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- D. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- E. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.iitlgroup.com](http://www.iitlgroup.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and The National Stock Exchange of India Limited, Mumbai.
- F. The Facility for voting through poll shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
- G. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**Details of the Directors seeking appointment / re-appointment at the forthcoming  
Annual General Meeting  
[In pursuance of Regulation 36(3) of the Listing Regulations  
(relating to Corporate Governance)]**

| <b>Name of the Director</b>                                                                                                                                   | <b>Mr. Bipin Agarwal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Mr. Deb Kumar Banerjee</b>                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Director Identification Number</b>                                                                                                                         | 00001276                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 07326051                                                        |
| <b>Date of Birth</b>                                                                                                                                          | 01.11.1965                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 02.09.1960                                                      |
| <b>Nationality</b>                                                                                                                                            | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Indian                                                          |
| <b>Date of Appointment</b>                                                                                                                                    | 08.01.2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 07.11.2015                                                      |
| <b>Qualifications</b>                                                                                                                                         | B.Com. (Hons.), FCS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | B.E. (Civil) Chartered Engineer                                 |
| <b>Expertise in specific functional areas</b>                                                                                                                 | He has vast and rich experience in the areas of Portfolio Management, Finance and matters related to Corporate Laws, Mergers and Acquisitions, Operations in Capital and Commodities Market.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Executive Director in Life Insurance Corporation of India (LIC) |
| <b>Directorships held in other companies (Excluding alternate directorship, foreign companies and companies under Section 8 of the Companies Act, 2013)</b>   | <ol style="list-style-type: none"> <li>1. Nimbus India Limited</li> <li>2. Nimbus Projects Limited</li> <li>3. Nimbus Multi Commodity Brokers Limited</li> <li>4. N.N. Financial Services Private Limited</li> <li>5. Urvashi Finvest Private Limited</li> <li>6. Gupta Fincaps Private Limited</li> <li>7. IITL Projects Limited</li> <li>8. IIT Insurance Broking and Risk Management Private Limited</li> <li>9. IIT Investrust Limited</li> <li>10. IITL Marketing Management Private Limited</li> <li>11. Capital Infra Projects Private Limited</li> <li>12. World Resorts Limited</li> <li>13. MRG Hotels Private Limited</li> <li>14. Nimbus Propmart Private Limited</li> </ol> | Nil                                                             |
| <b>Committee position held in other companies (Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee have been included)</b> | <ol style="list-style-type: none"> <li>1. IIT Investrust Limited (Chairman - Audit Committee)</li> <li>2. IIT Insurance Broking and Risk Management Private Limited (Chairman - Audit Committee)</li> <li>3. World Resorts Limited (Member - Audit Committee)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                 | Nil                                                             |
| <b>No. of shares held in the company</b>                                                                                                                      | 25,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | NIL                                                             |
| <b>Inter-se relationships between Directors</b>                                                                                                               | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | None                                                            |

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 4 TO 7 OF THE ACCOMPANYING NOTICE DATED AUGUST 09, 2016**

**Item No.4**

In terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors at its meeting held on November 07, 2015, appointed Mr. Deb Kumar Banerjee, the LIC Nominee as Additional Director to hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Deb Kumar Banerjee for the office of Director of the Company.

Mr. Deb Kumar Banerjee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except Mr. Deb Kumar Banerjee, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.4 of the Notice.

**Item No.5**

The provisions of Regulation 23 of the SEBI (LODR), Regulation, 2015, effective December 01, 2015, require approval of shareholders by way of Special Resolution for material related party transactions. There is no exemption thereunder even if such transaction is in the ordinary course of business of the entity and on arm's length basis. A transaction with a related party shall be considered material under Regulation 23 of the Listing Regulations, if the transaction / transactions in a contract to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

The annual consolidated turnover as per the last audited financial statements for the year 2015-16 was ₹327.94 Crores.

The transactions with the Related Parties are being placed before the Audit Committee from time to time for their approval and recommendation to the Board.

Currently, it cannot be ascertained whether the transactions to be entered in the current financial year 2016-2017 and thereafter would exceed the threshold of 10% of annual consolidated turnover as per the latest audited financial results. The approval of the Shareholders for the transactions to be entered into and carried out with the Related Parties, from time to time, in the ordinary course of business and at arm's length price, during the Financial year 2016-2017 and thereafter, is being sought by way of abundant caution and as a proactive measure.

Further, Regulation 23 of the Listing Regulation requires the entities falling under the definition of related party to abstain from voting irrespective of whether the entity is a party to the transaction or not. Accordingly, the Related Parties of the Company who are (or could potentially be considered) as related party, are required to abstain from voting on this resolution of the Notice.

The Board, therefore, recommends the passing of the resolution set out under Item no. 5 as an Ordinary Resolution.

None of Directors, other than those representing the Related Parties, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

**Item No. 6**

The Company had taken on leave and license basis the residential premises of its subsidiary company, IIT Investrust Limited being Flat Nos. 1101 and 1101A situated on 11th Floor of the building Lokhandwala Galaxy, Byculla, Mumbai for a period of 33 months commencing from November 21, 2013 at a monthly rent of ₹1,25,000/- for the purpose of accommodation of the Company's Chairman. Since the lease period is due to expire on August 20, 2016, the Board of Directors in its meeting held on August 09, 2016, decided to renew the leave and license agreement with IIT Investrust Limited for a further period of 33 months with effect from August 21, 2016 at a monthly rent of ₹1,25,000/-.

The related information as envisaged under the Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

| Maximum Value of Contract / Arrangement / Transaction                                                                                      |                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name and Nature of Relationship with Related Party:                                                                                        | Particulars of the Transaction                                                                                                                                                                                                                                                                                                                                             |
| IIT Investrust Limited, a subsidiary of the Company and a Related Party as per the provisions of Section 2(76) of the Companies Act, 2013. | Renewal of the Leave & License Agreement with IIT Investrust Limited for its residential premises being Flat Nos. 1101 and 1101A situated on 11th Floor of the building Lokhandwala Galaxy, Byculla, Mumbai for a further period of 33 months with effect from August 21, 2016 at a monthly rent of ₹1,25,000/-for the purpose of accommodation of the Company's Chairman. |

- a) **Name and Nature of Relationship with Related Party:** As provided in the table above.
- b) **Nature, duration of the contract and particulars of the contract or arrangement:** As provided in the table above.
- c) **Material terms of the contract or arrangement including the value, if any:** As provided in the table above.
- d) **Any advance paid or received for the contract or arrangement, if any:** Nil
- e) **Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract:** The rent is determined based on the prevailing market rates in the same locality.
- f) **Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:** Yes
- g) **Any other information relevant or important for the Board to take a decision on the proposed transactions:** Nil

The Board recommends the resolution as set out in the Item No.6 of accompanying notice for the approval of members of the Company as an Ordinary Resolution.

None of Directors, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

### Item No. 7

The Board of Directors in its meeting held on August 09, 2016, decided to take on leave and license basis the residential premises of its wholly owned subsidiary company, IIT Insurance Broking & Risk Management Private Limited being Flat no. 702 on the 7th Floor of Shivam Building situated at 8 Babulnath Road, Near Babulnath Temple, Mumbai 400 007 for a period of 33 months with effect from August 16, 2016 on a monthly rent of ₹2,00,000/-for accommodation of the Company's officials.

The related information as envisaged under the Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

| Maximum Value of Contract / Arrangement / Transaction                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name and Nature of Relationship with Related Party:                                                                                                                                      | Particulars of the Transaction                                                                                                                                                                                                                                                                                                                                                                            |
| IIT Insurance Broking & Risk Management Private Limited, a wholly owned subsidiary of the Company and a Related Party as per the provisions of Section 2(76) of the Companies Act, 2013. | Entering into the Leave & License Agreement with IIT Insurance Broking & Risk Management Private Limited for its residential premises being Flat no. 702 on the 7th Floor of Shivam Building situated at 8 Babulnath Road, Near Babulnath Temple, Mumbai 400 007 for a period of 33 months with effect from August 16, 2016 on a monthly rent of ₹2,00,000/-for accommodation of the Company's officials. |

- a) **Name and Nature of Relationship with Related Party:**  
As provided in the table above.
- b) **Nature, duration of the contract and particulars of the contract or arrangement:** As provided in the table above.
- c) **Material terms of the contract or arrangement including the value, if any:** As provided in the table above.
- d) **Any advance paid or received for the contract or arrangement, if any:** Nil
- e) **Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract:** The rent is determined based on the prevailing market rates in the same locality.
- f) **Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:** Yes
- g) **Any other information relevant or important for the Board to take a decision on the proposed transactions:**  
Nil

The Board recommends the resolution as set out in the Item No.7 of accompanying notice for the approval of members of the Company as an Ordinary Resolution.

None of Directors, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

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

Cumi Banerjee  
CEO & Company  
Secretary

Mumbai : August 09, 2016

**Registered Office :**  
14E, Rajabhadur Mansion, 2nd Floor,  
28, Bombay Samachar Marg, Mumbai 400 001  
CIN: L65990MH1933PLC001998  
E-mail address: iitl@iitlgroup.com  
Website: www.iitlgroup.com



### DIRECTORS' REPORT

#### Dear Shareholders,

Your Directors are pleased to present the Eighty Third Annual Report of the Company, together with the Audited Statements of Accounts for the year ended March 31, 2016.

#### Financial Performance Summary

₹ in Lacs

| Particulars                                                                                                                                                                     | Financial Year ended |            |              |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------|--------------|------------|
|                                                                                                                                                                                 | Standalone           |            | Consolidated |            |
|                                                                                                                                                                                 | 31/03/2016           | 31/03/2015 | 31/03/2016   | 31/03/2015 |
| Total Income                                                                                                                                                                    | 1709.84              | 1138.80    | 32793.84     | 33974.93   |
| Profit/(loss) before Interest, Depreciation & Tax (EBITDA)                                                                                                                      | 699.90               | 461.46     | (205.05)     | 826.54     |
| Finance Charges                                                                                                                                                                 | 6.93                 | 2.44       | 638.31       | 57.67      |
| Depreciation                                                                                                                                                                    | 12.48                | 19.77      | 68.88        | 92.76      |
| Provision for Income Tax (including for earlier years)                                                                                                                          | 29.64                | 126.04     | 50.56        | 238.77     |
| Net Profit/(Loss) After Tax                                                                                                                                                     | 650.85               | 313.21     | (962.80)     | 437.34     |
| Profit/(Loss) brought forward from previous year                                                                                                                                | 4234.04              | 4256.67    | 2895.16      | 3109.31    |
| Reversal of excess tax on dividend                                                                                                                                              | -                    | -          | -            | -          |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life                                              | -                    | 1.82       | -            | 14.23      |
| Less: Loss for Associate for the year                                                                                                                                           | -                    | -          | 37.65        | 168.87     |
| Less: Profit or (Loss) Attributable to Minority interest                                                                                                                        | -                    | -          | (242.16)     | 114.67     |
| Profit/(Loss) carried to Balance Sheet                                                                                                                                          | 4884.89              | 4568.06    | 2136.87      | 3248.88    |
| From this, the Directors have transferred to:                                                                                                                                   |                      |            |              |            |
| Special Reserve                                                                                                                                                                 | 130.17               | 62.64      | 130.17       | 62.64      |
| General Reserve                                                                                                                                                                 | -                    | -          | -            | -          |
| Capital Redemption Reserve                                                                                                                                                      | -                    | -          | -            | -          |
| (i) The Directors have not recommended any Dividend for the year 2015-2016 [previous year dividend declared ₹ 1.00 per equity share on 22,547,550 equity shares of ₹ 10/- each] | -                    | 225.44     | -            | 225.44     |
| (ii) Dividend declared at the rate of ₹ 1.00 per CCPS on 7,20,000 CCPS of ₹ 10/- each in the year 2014-2015                                                                     | -                    | 0.04       | -            | 0.04       |
| Tax on proposed Dividend                                                                                                                                                        | -                    | 45.90      | -            | 65.61      |
| Leaving a balance to be carried forward                                                                                                                                         | 4754.72              | 4234.04    | 2006.70      | 2895.15    |

\*previous year figures have been regrouped/rearranged wherever necessary.

#### Results of operations and state of Company's affairs

The Company has earned pre-tax profit of ₹ 680.49 lakhs during the year as compared to ₹ 439.25 lakhs in the previous year. The Revenue from operations during the year was ₹ 1709.84 lakhs compared to ₹ 1138.80 lakhs in the previous year. The income of ₹ 1709.84 lakhs comprises of interest income of ₹ 894.26 lakhs

and income from sale of investment property of the Company amounting to ₹ 803.29 lakhs. Net Provision of ₹ 63.22 lakhs has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 279.04 lakhs in the previous year.

#### Business Overview

The Company is registered with Reserve Bank of India (RBI) as a Non-Deposit taking Non- Banking Financial Company (NBFC). It is a 'Systemically Important Non-Deposit taking NBFC' with its total assets being more than ₹ 500 Crores. It is primarily a Holding Company, holding investments in its subsidiaries and other group Companies. The activities of the Company comprises of Investment in equity shares quoted as well as unquoted, units of mutual funds, Fixed deposits with renowned Banks, Inter-Corporate Deposits and Loans to its Group Companies. The Board of Directors is apprised of the investments of the Company and it monitors the deployment of resources on regular basis.

During the year under review, the Company has pruned its investment portfolio by selling certain quoted scrips where there was no remarkable appreciation or there was considerable erosion in the market values.

The details of the Company's investments, including a portfolio summary and analysis of securities held are given in Note No. 2.8 to the Balance Sheet as on March 31, 2016. The loans to subsidiaries and other entities within the group and interest income on the same are disclosed in Note No. 2.24 to the Balance Sheet as on March 31, 2016.

The market value of the Company's quoted investments, other than subsidiaries, as on March 31, 2016 was ₹ 14.77 lakhs, as compared to its cost of ₹ 178.49 lakhs. However, total provision of ₹ 150.09 lakhs made towards permanent diminution in value of investments has been considered adequate in view of investments being long term.

#### Material changes and commitments occurred after the close of the year till date of this report which affects the financial position of the Company

There were no material changes and commitments occurred after the close of the year till date of this report which affects the financial position of the Company.

#### Dividend

Your Directors regret to inform you that the Company has not recommended any dividend for the financial year 2015-2016.

#### Management Discussion and Analysis

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

#### Change in Capital Structure

During the year under review, there was no change in the Capital Structure of the Company.

As on March 31, 2016, the issued, subscribed and paid up share capital of your Company stood at ₹ 22,54,75,500/-, comprising 2,25,47,550 Equity Shares of ₹ 10/- each.

## Consolidated Accounts

The Consolidated Financial Statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standard and the Listing Regulations. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate and joint venture companies, as approved by their respective Board of Directors.

### Subsidiary, Associate and Joint Ventures Companies

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of company's subsidiaries, associate and joint venture Companies is given as **Annexure 2**.

Brief particulars about the business of each of the Subsidiaries and Joint Venture / Associate Companies is given hereunder:-

#### Subsidiary Companies:

##### a. IIT Investrust Limited (IITIL)

IITIL is into Stock Broking and Depository facilities. Besides that, IITIL also provides Advisory and Consultancy services to various Body Corporates.

##### b. IITL Projects Limited - (IITLPL)

IITLPL is listed on Bombay Stock Exchange and certified as ISO 9001:2008 Company.

IITLPL is engaged in Real Estate business, construction of residential complex in the National Capital Region (NCR). It has acquired a plot of land on long term lease, under Builders Residential Scheme (BRS) of the Greater Noida Industrial Development Authority (GNIDA).

Apart from constructing its own project, IITLPL is also engaged in construction of residential flats through Special Purpose Vehicles (SPVs) and these SPVs have been allotted plots of land on long term lease, under Builders Residential Scheme (BRS) of the New Okhala Industrial Development Authority (NOIDA) and Yamuna Expressway Authority (YEA). The total lease hold area allotted to the Company alongwith SPVs is around 2,65,000 sq. meters and the projects are under various stages of construction.

Project developed by the Company:

**Express Park View I:** This project is completed and the flats are being allotted to the buyers.

#### Projects being developed by the Company jointly with SPVs:

- 1) The Hyde Park
- 2) The Golden Palms
- 3) Express Park View-II
- 4) The Golden Palm Village

##### c. IIT Insurance Broking and Risk Management Private Limited (IIT Insurance)

IIT Insurance had filed an application with Insurance Regulatory and Development Authority of India (IRDAI) for renewal of the Direct Broker License for Category (Life) in September 2015.

IRDAI vide its Letter dated January 05, 2016 granted Renewal of Direct Insurance Brokers License under Certificate of Renewal of License No. 398 for a period of three years with effect from October 20, 2015 to October 19, 2018.

During the year under review, one additional branch was opened and one branch was closed. The total number of operational offices at the year end stood at 6.

##### d. IITL Marketing Management Private Limited (IMMPL) (Formerly known as IIT Media and Entertainment Private Limited)

IIT Media and Entertainment Private Limited was incorporated on January 22, 2010 for undertaking media business. Subsequently in the year 2014, the name of IIT Media and Entertainment Private Limited was changed to IITL Marketing Management Private Limited alongwith its object clause to carry on business of direct marketing, online marketing, multilevel marketing, network marketing and to provide high quality of services in hospitality, catering, tourism and products to clients and consumers. However, IMMPL did not commence any business till date. In June 2016, IMMPL has applied under the 'Fast Track Exit, 2011' Scheme for striking off the name of the company from the Register of Companies under Section 560 of the Companies Act, 1956.

##### e. IITL Corporate Insurance Services Private Limited (IITL Corporate Insurance)

In January 2014, the Company had incorporated a wholly owned subsidiary viz. IITL Corporate Insurance Services Private Limited (ICISPL) for undertaking the business of corporate agency (Category: Life) of Future Generali India Life Insurance Company Limited (FGILICL).

However, subsequently it was decided that the subsidiary company, IIT Insurance Broking and Risk Management Private Limited will continue with the business of Direct Insurance Broking and therefore IITL Corporate Insurance made an application to FGILICL for withdrawal of its proposal for undertaking Corporate Agency business (Category: Life).

#### Joint Venture / Associate Companies:

##### a. Future Generali India Life Insurance Company Limited (FGILICL), a Joint Venture :

The Company has made an investment of ₹ 340 Crores in Future General India Life Insurance Company Limited, a joint venture of the company acquiring 22.5% of its equity capital. The management views this as a long term investment and in positive light, as insurance industry plays a crucial role in growth and development of the overall economy. The other major shareholders are Participatie Maatschappij Graafschap Holland NV and Future Group.

##### b. World Resorts Limited (WRL), an Associate Company:

WRL is into the business of hospitality and owns and operates a Five Star Resort by the name "Golden Palms Hotel & Spa" off Tumkur Road, Bangalore. It also manages and operates hotels under the brand "Golden Palms". WRL also has a wholly owned subsidiary company by the name, MRG Hotels Private Limited which owns a Hotel in Mussoorie.

### Internal financial controls and their adequacy

In order to ensure the effectiveness of the existing internal financial controls of the company and to improvise upon its design and implementation, the Company engaged the services of M/s Deloitte Touche Tohmatsu India Limited Liability Partnership ('DTTILLP'), external consultants for providing Advisory Services on Internal Controls over Financial Reporting of the Company.

The documentation of process flow charts, key controls, Standard Operating Procedure (SOP) and risk control matrix have been compiled for all business functions.

M/s JPJ Associates, Chartered Accountants, a consulting / audit firm were appointed for determining the adequacy and operating effectiveness of the existing Internal Financial Controls over Financial Reporting of the Company on behalf of the management.

They have observed that there are no material weaknesses in the financial controls of the Company. Based on the above, management believes that adequate internal financial controls exist in relation to its Financial Statements.

### Directors and Key Managerial Personnel

#### Appointment

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in its Meeting held on November 07, 2015 had appointed Mr. Deb Kumar Banerjee, LIC Nominee as an Additional Director (Non Executive / Non Independent Director) with effect from November 07, 2015. We seek your confirmation for appointment of Mr. Deb Kumar Banerjee as a Non Executive / Non Independent Director of the Company.

The Company has received Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidature of Mr. Deb Kumar Banerjee for the office of Non Executive / Non Independent Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee and approval of Audit Committee, the Board of Directors appointed Mr. Kaushik Desai as Chief Financial Officer of the Company w.e.f. January 11, 2016.

Further, at the Board Meeting held on January 28, 2016, Mr. Kaushik Desai, Chief Financial Officer was designated as "Key Managerial Personnel" of the Company, pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### Retiring by Rotation

In accordance with the Articles of Association of the Company, Mr. Bipin Agarwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### Resignation

Mr. P.K. Rath and Mr. R.S. Loona resigned as Directors from the Board with effect from September 28, 2015 and June 21, 2016 respectively. The Board places on record, its appreciation for the valuable contributions made by them during their tenure as Director of the Company.

### Familiarisation Programme

The Company conducts suitable familiarisation programme for Independent Directors so as to associate themselves with the nature of the industry in which the Company operates and business model of the Company in addition to regular presentations on financial statements and other relevant data. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations and RBI regulations with regard to their roles, rights and responsibilities as Directors of the Company.

The details of the familiarisation programme have been disclosed and updated from time to time on the Company's website and its weblink is <http://www.iitlgroup.com/newStatic/AboutUs.aspx>.

### Meetings of the Board

Five meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance.

### Directors' Responsibility Statement

Pursuant to Section 134(3)(C) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statements that:

- In preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- Such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis;
- The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively;
- The systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### 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 as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.



### Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company, confirming that, they meet the criteria of independence as prescribed both under Section 149(7) of the Companies Act, 2013 and Regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Policy on appointment and remuneration for Directors, Key Managerial Personnel and senior management employees

The Board of the Directors has framed the policy which lays down a framework in relation to Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy is annexed at the end of the Corporate Governance Report.

### Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Chandanbala Jain & Associates, Practicing Company Secretary (CP No. 6400), to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure 5 and forms an integral part of this report. The said Report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### Particulars of Loans given, Investments made, Guarantees given and Securities provided

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company, since the Company is a Non-Banking Financial Company whose principal business is acquisition of securities.

Details of guarantees and/or security in connection with loans to other bodies corporates or persons as covered under the provisions of Section 186 of the Act, are given in the Notes to the Financial Statements.

### Capital Adequacy Ratio

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions") stood at 81.48% above the regulatory minimum of 15%. Your Company's asset size is ₹ 539.54 crores. The Company has received a certificate from the Auditors of the Company, M/s. Deloitte Haskins and Sells, Chartered Accountants, pursuant to Non-Banking Financial Companies Auditors' Report (Reserve Bank of India) Directions, 2008 confirming compliance of the conditions with respect to Systemically Important Non-Deposit taking Non-Banking Financial Companies.

### Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- (A) Conservation of energy: Not Applicable
- (B) Technology absorption: Not Applicable
- (C) Foreign exchange earnings and Outgo: The Company had no foreign exchange earnings and outgo during the financial year.

### Risk Management

The Company has formulated a Risk Management Policy. The Company through the Committee for Investments / Loans and Risk Management identifies, evaluates, analyses and prioritise risks in order to address and minimize such risks. This facilitates identifying high level risks and implement appropriate solutions for minimizing the impact of such risks on the business of the Company. The Committee submits its recommendations and comments for Board's review and necessary action.

### Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy is disclosed on the Company's website <http://www.iitlgroup.com/newStatic/AboutUs.aspx>.

As part of CSR initiative, your Company during the financial year 2015-16 has made contribution of ₹ 11,00,000/- out of the total contribution to be made of ₹ 24,50,000/- to Vyakti Vikas Kendra India, for promotion of Arts and Culture at the World Culture Festival held at Delhi as prescribed under Schedule VII of the Companies Act, 2013.

The report on CSR activities is attached as Annexure 4 to this Report.

### Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism / Whistle Blower Policy to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. The details of the Vigil Mechanism policy have been provided in the Corporate Governance Report and also disclosed on the website of the Company viz <http://www.iitlgroup.com/newStatic/AboutUs.aspx>.

### Evaluation of the Board, its Committees and individual Directors

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC and the Chairman of the Board. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfillment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings,

Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board, was taken into consideration by the Board in carrying out the performance evaluation.

#### Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

#### Auditors and Auditors' Report

M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.117365W), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company. It is proposed to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

M/s. Deloitte Haskins & Sells have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory and hence do not call for any further comments under Section 134 of the Act.

#### Related Party Transactions

The Company has laid down a Related Party Transaction (RPT) Policy for purpose of identification and monitoring of such transactions. The policy on Related Party Transaction as approved by the Board is uploaded on the Company's weblink viz. <http://www.iitlgroup.com/newStatic/AboutUs.aspx>.

All Related Party Transactions are placed before the Audit Committee and also the Members / Board for their approval, wherever necessary.

All RPTs entered during the financial year by the Company are in ordinary course of business and on an arms' length basis. No material RPTs were entered during the financial year. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

#### Significant and material orders passed by the regulators

During the period under review, there were no significant and material orders passed by the regulators/ courts or tribunals that would impact going concern status of the Company and its future operations.

#### Transfer of Amounts to Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956, a sum of ₹ 6,98,900/- lying with the Company as unclaimed dividend for the year 2007-2008 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.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. September 16, 2015), with the Ministry of Corporate Affairs.

#### Particulars of Employees and related disclosures

A) Details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| S. No. | Name of Director / KMP and Designation                         | Remuneration of Director/KMP for financial year 2015-16 (in ₹) | % increase in Remuneration in the financial year 2015-16 | Ratio of remuneration of each Director / to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company                          |
|--------|----------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1      | Dr. B. Samal, Executive Chairman                               | 47,13,676                                                      | 4%                                                       | 10.29                                                                        | Profit before Tax increased by 54.92% and Profit After Tax increased by 107.80% in financial year 2015-16 |
| 2      | Mr. Bipin Agarwal, Non Executive Director                      | 2,70,000 (Sitting fees)                                        | 17%                                                      | 0.59                                                                         | Not Applicable                                                                                            |
| 3      | Mr. R.S. Loona, Independent Director                           | 7,50,000 (Sitting fees)                                        | 14%                                                      | 1.64                                                                         | Not Applicable                                                                                            |
| 4      | Mr. Venkatesan Narayanan, Independent Director                 | 3,30,000 (Sitting fees)                                        | 10%                                                      | 0.72                                                                         | Not Applicable                                                                                            |
| 5      | Mr. Shubhash Bhargava, Independent Director                    | 6,00,000 (Sitting fees)                                        | 25%                                                      | 1.31                                                                         | Not Applicable                                                                                            |
| 6      | Mrs. Bhagyam Ramani, Independent Director                      | 1,80,000 (Sitting fees)                                        | 200%                                                     | 0.39                                                                         | Not Applicable                                                                                            |
| 7      | Mr. P K Rath (LIC), Non Executive Director \$                  | 1,80,000 (Sitting fees)                                        | Not Applicable                                           | Not Applicable                                                               | Not Applicable                                                                                            |
| 8      | Mr. Deb Kumar Banerjee (LIC), Non Executive Director #         | 2,70,000 (Sitting fees)                                        | Not Applicable                                           | Not Applicable                                                               | Not Applicable                                                                                            |
| 9      | Ms. Cumi Banerjee, Chief Executive Officer & Company Secretary | 32,47,830                                                      | 13%                                                      | Not Applicable                                                               | Profit before Tax increased by 54.92% and Profit After Tax increased by 107.80% in financial year 2015-16 |
| 10     | Mr. Kaushik Desai, Group Chief Financial Officer @             | 4,46,237                                                       | Not Applicable                                           | Not Applicable                                                               | ##                                                                                                        |

- \$ Mr. P.K. Rath resigned as Director w.e.f. 28.09.2015
- # Mr. Deb Kumar Banerjee was appointed as Director on the Board w.e.f. 07.11.2015
- @ Mr. Kaushik Desai was appointed as Group Chief Financial Officer by Board w.e.f. 11.01.2016
- ## Details not given since he was a Group Chief Financial Officer only for part of the financial year 2015-16 i.e. w.e.f. 11.01.2016

Note: The remuneration to Directors includes sitting fees paid to them for the financial year 2015-16.

**Notes:-**

- ii) Median remuneration of employees of the Company during the financial year 2015-2016 was ₹ 458,185/-.
  - ii) Median remuneration of employees of the Company during the financial year 2014-2015 was ₹ 424,903/-. In the financial year, there was a marginal increase of 7.83% in the median remuneration of employees upon appointment of a senior Key Managerial Personnel.
  - iii) There were 12 confirmed employees on the rolls of the Company as on March 31, 2016.
  - iv) Relationship between average increase in remuneration and company performance- Average Remuneration increased during the year 2015-2016 by 19.63% whereas the Company's PAT increased by 107.80%.
  - v) a) Variation in the market capitalization of the company: The market capitalization as on March 31, 2016 was ₹ 147.24 Crores (₹ 168.66 Crores as on March 31, 2015)
  - b) Price Earning Ratio of the Company was 22.60 as at March 31 2016 and was 53.81 as at March 31, 2015.
  - c) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer: The Company had come out with initial public offer (IPO) in 1934. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2016 was ₹ 64.95 and ₹ 65.30 respectively, representing a 549.50% (NSE) and 553% (BSE) increase over the IPO price, adjusted for stock splits and bonus to date. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 65,300/- as on March 31, 2016 (Ref: BSE Closing Price as on March 31, 2016). This excludes dividend payouts thereon. The total number of shares considered for the above calculation is 1,00,00,000 shares (excluding GDR and CCPS issue of the Company)
  - vi) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 30.91% whereas the increase in the managerial remuneration for the same financial year was 7.65%. (This excludes the salary of the Chief Financial Officer of the Company since he joined the organization in January 2016).
  - vii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.
  - viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:- During fiscal year 2015-2016, no employee received remuneration in excess of the highest-paid Director.
  - ix) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.
- B) Details of every employee of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
- During the year under consideration, none of the employees of the company was in receipt of remuneration in excess of limits prescribed under clause 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence particulars as required under 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been provided.

**Public Deposits**

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

**Disclosures under Sexual Harassment of Woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In accordance with the provisions of the Sexual Harassment of Woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints. ICC has not received any complaints during the financial year 2015-16.

**Acknowledgement**

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors thank the bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments and other statutory authorities / regulators for their continued support.

For and on behalf of the Board  
**Industrial Investment Trust Limited**

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

Date : August 09, 2016  
Place : Mumbai



**Annexure 1**
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016 of  
**INDUSTRIAL INVESTMENT TRUST LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|      |                                                                           |                                                                                                                                                                                |
|------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | CIN:                                                                      | L65990MH1933PLC001998                                                                                                                                                          |
| ii)  | Registration Date:                                                        | 10.08.1933                                                                                                                                                                     |
| iii) | Name of the Company                                                       | INDUSTRIAL INVESTMENT TRUST LIMITED                                                                                                                                            |
| iv)  | Category/ Sub-Category of the Company                                     | Public Company / Limited by shares                                                                                                                                             |
| v)   | Address of the Registered office and contact details                      | Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001. Maharashtra<br>Tel: 022-43250100; Fax: 022-22651105<br>Email: iitl@iitlgroup.com                     |
| vi)  | Whether shares listed on recognized Stock Exchange(s) - Yes / No          | Yes - BSE Limited and National Stock Exchange of India Limited                                                                                                                 |
| vii) | Name, Address and contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai 400078<br>Tel: 022-25946970<br>Email: mt.helpdesk@linkintime.co.in |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services       | NIC Code of the Product /service | % to total turnover of the company |
|---------|--------------------------------------------------------|----------------------------------|------------------------------------|
| 1       | Interest Income on Loans and Fixed Deposits with Banks | 64990                            | 52.30                              |
| 2       | Sale of Investment Properties                          | 68100                            | 46.98                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES -**

| S. No. | NAME AND ADDRESS OF THE COMPANY                                                                                                              | CIN / GLN             | Holding / Subsidiary / Associate / JV | % of shares held | Applicable section |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------|------------------|--------------------|
| 1      | <b>IITL PROJECTS LIMITED</b><br>Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001                                     | L01110MH1994PLC082421 | Subsidiary                            | 71.74            | 2(87)              |
| 2      | <b>IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED</b><br>Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001 | U67190MH2008PTC187076 | Subsidiary                            | 100.00           | 2(87)              |
| 3      | <b>IIT INVESTRUST LIMITED</b><br>Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001                                    | U67190MH1992PLC070247 | Subsidiary                            | 99.00            | 2(87)              |

|    |                                                                                                                                                                            |                       |               |        |       |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|--------|-------|
| 4  | <b>IITL MARKETING MANAGEMENT PRIVATE LIMITED</b><br>Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001                                               | U74999MH2010PTC199226 | Subsidiary    | 100.00 | 2(87) |
| 5  | <b>IITL CORPORATE INSURANCE SERVICES PRIVATE LIMITED</b><br>Rajabhadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001                                       | U66000MH2014PTC252349 | Subsidiary    | 100.00 | 2(87) |
| 6  | <b>WORLD RESORTS LIMITED</b><br>31/32, Nagrur, Dasanpura Hobli, Off. Tumkur Road, Bangalore 562123                                                                         | U85110KA1995PLC017694 | Associate     | 25.00  | 2(6)  |
| 7. | <b>FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED</b><br>Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013 | U66010MH2006PLC165288 | Joint Venture | 22.50  | 2(6)  |

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

| Category of Shareholders                               | No. of Shares held at the beginning of the year |              |                |                   | No. of Shares held at the end of the year* |              |                |                   | % change during the year |
|--------------------------------------------------------|-------------------------------------------------|--------------|----------------|-------------------|--------------------------------------------|--------------|----------------|-------------------|--------------------------|
|                                                        | Demat                                           | Physical     | Total          | % of Total Shares | Demat                                      | Physical     | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                    |                                                 |              |                |                   |                                            |              |                |                   |                          |
| <b>(1) Indian</b>                                      |                                                 |              |                |                   |                                            |              |                |                   |                          |
| a) Individual/ HUF                                     | 50000                                           | 0            | 50000          | 0.22              | 50000                                      | 0            | 50000          | 0.22              | 0.00                     |
| b) Central Govt                                        | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| c) State Govt(s)                                       | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| d) Bodies Corp.                                        | 9271387                                         | 0            | 9271387        | 41.12             | 9271387                                    | 0            | 9271387        | 41.12             | 0.00                     |
| e) Banks / FI                                          | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| f) Any other                                           | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| <b>Sub- total (A) (1)</b>                              | <b>9321387</b>                                  | <b>0</b>     | <b>9321387</b> | <b>41.34</b>      | <b>9321387</b>                             | <b>0</b>     | <b>9321387</b> | <b>41.34</b>      | <b>0.00</b>              |
| <b>2. Foreign</b>                                      |                                                 |              |                |                   |                                            |              |                |                   |                          |
| a) NRIs-Individuals                                    | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| b) Other-Individuals                                   | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| c) Body Corp.                                          | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| d) Banks/FI                                            | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| e) Any Other...                                        | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| <b>Sub-total (A)(2)</b>                                | <b>0</b>                                        | <b>0</b>     | <b>0</b>       | <b>0.00</b>       | <b>0</b>                                   | <b>0</b>     | <b>0</b>       | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total Shreholding of Promoter (A)=(A)(1)+(A)(2)</b> | <b>9321387</b>                                  | <b>0</b>     | <b>9321387</b> | <b>41.34</b>      | <b>9321387</b>                             | <b>0</b>     | <b>9321387</b> | <b>41.34</b>      | <b>0.00</b>              |
| <b>B. Public Shareholding</b>                          |                                                 |              |                |                   |                                            |              |                |                   |                          |
| <b>1. Institutions</b>                                 |                                                 |              |                |                   |                                            |              |                |                   |                          |
| a) Mutual Funds                                        | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| b) Banks/FI                                            | 34200                                           | 34950        | 69150          | 0.31              | 41700                                      | 34950        | 76650          | 0.34              | +0.03                    |
| c) Central Govt                                        | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| d) State Govt(s)                                       | 0                                               | 37200        | 37200          | 0.17              | 0                                          | 37200        | 37200          | 0.17              | 0.00                     |
| e) Venture Capital Funds                               | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| f) Insurance Companies                                 | 1243061                                         | 250          | 1243311        | 5.52              | 1224767                                    | 250          | 1225017        | 5.43              | -0.09                    |
| g) FIIs                                                | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| h) Foreign Venture Capital Funds                       | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| i) Others (specify)                                    | 0                                               | 0            | 0              | 0.00              | 0                                          | 0            | 0              | 0.00              | 0.00                     |
| <b>Sub-total (B)(1):-</b>                              | <b>1277261</b>                                  | <b>72400</b> | <b>1349661</b> | <b>6.00</b>       | <b>1266467</b>                             | <b>72400</b> | <b>1338867</b> | <b>5.94</b>       | <b>-0.06</b>             |

|                                                                            |                 |               |                 |               |                 |               |                 |               |              |
|----------------------------------------------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|--------------|
| <b>2. Non- Institutions</b>                                                |                 |               |                 |               |                 |               |                 |               |              |
| a) Bodies Corp                                                             |                 |               |                 |               |                 |               |                 |               |              |
| i) Indian                                                                  | 513880          | 13550         | 527430          | 2.34          | 513370          | 13550         | 526920          | 2.34          | 0.00         |
| ii) Overseas                                                               | 0               | 0             | 0               | 0.00          | 0               | 0             | 0               | 0.00          | 0.00         |
| b) Individuals                                                             |                 |               |                 |               |                 |               |                 |               |              |
| i) Individuals Shareholders holding nominal share capital upto Rs 1 lakh   | 642618          | 554951        | 1197569         | 5.31          | 793642          | 620251        | 1413893         | 6.27          | +0.96        |
| ii) individual Shareholders holding nominal capital in excess of Rs 1 lakh | 124508          | 104000        | 228508          | 1.01          | 0               | 24000         | 24000           | 0.11          | -0.90        |
| c) Others (specify)                                                        |                 |               |                 |               |                 |               |                 |               |              |
| i) Non Resident Indians (Repat)                                            | 4021            | 1000          | 5021            | 0.02          | 3921            | 1000          | 4921            | 0.02          | 0.00         |
| ii) Non Resident Indians (Non Repat)                                       | 9430            | 62000         | 71430           | 0.32          | 22930           | 48500         | 71430           | 0.32          | 0.00         |
| iii) Clearing Member                                                       | 21227           | 0             | 21227           | 0.09          | 20815           | 0             | 20815           | 0.09          | 0.00         |
| iv) Trusts                                                                 | 6267            | 41500         | 47767           | 0.21          | 6267            | 41500         | 47767           | 0.21          | 0.00         |
| <b>Sub-total (B)(2):-</b>                                                  | <b>1321951</b>  | <b>777001</b> | <b>2098952</b>  | <b>9.30</b>   | <b>1360945</b>  | <b>748801</b> | <b>2109746</b>  | <b>9.36</b>   | <b>+0.06</b> |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                         | <b>2599212</b>  | <b>849401</b> | <b>3448613</b>  | <b>15.30</b>  | <b>2627412</b>  | <b>797201</b> | <b>3448613</b>  | <b>15.30</b>  | <b>0.00</b>  |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                     |                 |               |                 |               |                 |               |                 |               |              |
| i. Promoter and Promoter group                                             | 0               | 0             | 0               | 0.00          | 0               | 0             | 0               | 0.00          | 0.00         |
| ii. Public                                                                 | 9777550         | 0             | 9777550         | 43.36         | 9777550         | 0             | 9777550         | 43.36         | 0.00         |
| <b>Sub-total C:-</b>                                                       | <b>9777550</b>  | <b>0</b>      | <b>9777550</b>  | <b>43.36</b>  | <b>9777550</b>  | <b>0</b>      | <b>9777550</b>  | <b>43.36</b>  | <b>0.00</b>  |
| <b>Grand Total (A+B+C)</b>                                                 | <b>21698149</b> | <b>849401</b> | <b>22547550</b> | <b>100.00</b> | <b>21726349</b> | <b>821201</b> | <b>22547550</b> | <b>100.00</b> | <b>0.00</b>  |

**(ii) Shareholding of Promoters**

| Sl No. | Category of Shareholders       | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  |                                           |
|--------|--------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|        |                                | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total shares of the company | % of shares pledged / encumbered to total shares | % change in share holding during the year |
| 1      | N.N.Financial Services Pvt Ltd | 7087960                                   | 31.44                            | 0.00                                             | 7087960                             | 31.44                            | 0.00                                             | 0.00                                      |
| 2      | Nimbus India Ltd               | 2183427                                   | 9.68                             | 0.00                                             | 2183427                             | 9.68                             | 0.00                                             | 0.00                                      |
| 3      | Bipin Agarwal                  | 25000                                     | 0.11                             | 0.00                                             | 25000                               | 0.11                             | 0.00                                             | 0.00                                      |
| 4      | Swarn Mohinder Singh           | 25000                                     | 0.11                             | 0.00                                             | 25000                               | 0.11                             | 0.00                                             | 0.00                                      |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. No.  | Shareholder's Name                                                                                                                                                             | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|          |                                                                                                                                                                                | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the Company |
| <b>1</b> | <b>N N Financial Services Pvt Ltd</b>                                                                                                                                          |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                                   | 7087960                                   | 31.44                            | 7087960                                 | 31.44                            |
|          | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 7087960                                 | 31.44                            |
|          | At the End of the year                                                                                                                                                         | 7087960                                   | 31.44                            | 7087960                                 | 31.44                            |
| <b>2</b> | <b>Nimbus India Ltd</b>                                                                                                                                                        |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                                   | 2183427                                   | 9.68                             | 2183427                                 | 9.68                             |
|          | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 2183427                                 | 9.68                             |
|          | At the End of the year                                                                                                                                                         | 2183427                                   | 9.68                             | 2183427                                 | 9.68                             |
| <b>3</b> | <b>Bipin Agarwal</b>                                                                                                                                                           |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                                   | 25000                                     | 0.11                             | 25000                                   | 0.11                             |
|          | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 25000                                   | 0.11                             |
|          | At the End of the year                                                                                                                                                         | 25000                                     | 0.11                             | 25000                                   | 0.11                             |
| <b>4</b> | <b>Swarn Mohinder Singh</b>                                                                                                                                                    |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                                   | 25000                                     | 0.11                             | 25000                                   | 0.11                             |
|          | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 25000                                   | 0.11                             |
|          | At the End of the year                                                                                                                                                         | 25000                                     | 0.11                             | 25000                                   | 0.11                             |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No.  | Shareholder's Name                                                                                                                                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|          |                                                                                                                                                                      | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the Company |
| <b>1</b> | <b>Life Insurance Corporation of India</b>                                                                                                                           |                                           |                                  |                                         |                                  |
|          | At the beginning of the year                                                                                                                                         | 1225017                                   | 5.43                             | 1225017                                 | 5.43                             |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 1225017                                 | 5.43                             |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                  | 1225017                                   | 5.43                             | 1225017                                 | 5.43                             |

|          |                                                                                                                                                                       |                                     |       |        |      |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------|--------|------|
| <b>2</b> | <b>Jardine Infrastruture and Developers Ltd.</b>                                                                                                                      |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 120161                              | 0.53  | 120161 | 0.53 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | No Change                           | N.A.  | 120161 | 0.53 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 120161                              | 0.53  | 120161 | 0.53 |
| <b>3</b> | <b>Pushpak Trading and Consultancy Pvt. Ltd.</b>                                                                                                                      |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 98900                               | 0.44  | 98900  | 0.44 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | No Change                           | N.A.  | 98900  | 0.44 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 98900                               | 0.44  | 98900  | 0.44 |
| <b>4</b> | <b>Mokha Vyapaar Pvt. Ltd</b>                                                                                                                                         |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 74845                               | 0.33  | 74845  | 0.33 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | No Change                           | N.A.  | 74845  | 0.33 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 74845                               | 0.33  | 74845  | 0.33 |
| <b>5</b> | <b>Shri Parasram Holdings Pvt.Ltd.</b>                                                                                                                                |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 70602                               | 0.31  | 70602  | 0.31 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)   | +550<br>(Transferred on 17.04.2015) | 0.002 | 71152  | 0.32 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 71152                               | 0.32  | 71152  | 0.32 |
| <b>6</b> | <b>Nippy Trading Private Limited</b>                                                                                                                                  |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 69581                               | 0.31  | 69581  | 0.31 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | No Change                           | N.A.  | 69581  | 0.31 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 69581                               | 0.31  | 69581  | 0.31 |
| <b>7</b> | <b>Brothers Trading Private Limited</b>                                                                                                                               |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 46969                               | 0.21  | 46969  | 0.21 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  | No Change                           | N.A.  | 46969  | 0.21 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 46969                               | 0.21  | 46969  | 0.21 |
| <b>8</b> | <b>Official Trustee Bombay</b>                                                                                                                                        |                                     |       |        |      |
|          | At the beginning of the year                                                                                                                                          | 30000                               | 0.13  | 30000  | 0.13 |
|          | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | No Change                           | N.A.  | 30000  | 0.13 |
|          | At the End of the year (or on the date of separation, if separated during the year)                                                                                   | 30000                               | 0.13  | 30000  | 0.13 |



|           |                                                                                                                                                                      |           |      |       |      |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|-------|------|
| <b>9</b>  | <b>Rustom Nusserwanji Cooper</b>                                                                                                                                     |           |      |       |      |
|           | At the beginning of the year                                                                                                                                         | 24000     | 0.11 | 24000 | 0.11 |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 24000 | 0.11 |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                                  | 24000     | 0.11 | 24000 | 0.11 |
| <b>10</b> | <b>The Governor of Madhya Pradesh</b>                                                                                                                                |           |      |       |      |
|           | At the beginning of the year                                                                                                                                         | 23000     | 0.10 | 23000 | 0.10 |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 23000 | 0.10 |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                                  | 23000     | 0.10 | 23000 | 0.10 |
| <b>11</b> | <b>Bank of India#</b>                                                                                                                                                |           |      |       |      |
|           | At the beginning of the year                                                                                                                                         | 22290     | 0.10 | 22290 | 0.10 |
|           | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 22290 | 0.10 |
|           | At the End of the year (or on the date of separation, if separated during the year)                                                                                  | 22290     | 0.10 | 22290 | 0.10 |

# Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No.    | Shareholder's Name                                                                                                                                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|            |                                                                                                                                                                      | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the Company |
| DIRECTORS: |                                                                                                                                                                      |                                           |                                  |                                         |                                  |
| 1          | Bipin Agarwal                                                                                                                                                        |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                                                                                                                                         | 25000                                     | 0.11                             | 25000                                   | 0.11                             |
|            | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 25000                                   | 0.11                             |
|            | At the End of the year                                                                                                                                               | 25000                                     | 0.11                             | 25000                                   | 0.11                             |
| 2          | Dr. Bidhubhushan Samal                                                                                                                                               |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                                                                                                                                         | 0                                         | 0.00                             | 0                                       | 0.00                             |
|            | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 0                                       | 0.00                             |
|            | At the End of the year                                                                                                                                               | 0                                         | 0.00                             | 0                                       | 0.00                             |
| 3          | R. S. Loona                                                                                                                                                          |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                                                                                                                                         | 0                                         | 0.00                             | 0                                       | 0.00                             |
|            | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change                                 | N.A.                             | 0                                       | 0.00                             |
|            | At the End of the year                                                                                                                                               | 0                                         | 0.00                             | 0                                       | 0.00                             |

|                                  |                                                                                                                                                                      |           |      |   |      |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|---|------|
| <b>4</b>                         | <b>Venkatesan Narayanan</b>                                                                                                                                          |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>5</b>                         | <b>Subhash Bhargava</b>                                                                                                                                              |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>6</b>                         | <b>Bhagyam Ramani</b>                                                                                                                                                |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>7</b>                         | <b>P.K. Rath (up to 28.09.2015)</b>                                                                                                                                  |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>8</b>                         | <b>Deb Kumar Banerjee (w.e.f. 07.11.2015)</b>                                                                                                                        |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>KEY MANAGERIAL PERSONNEL:</b> |                                                                                                                                                                      |           |      |   |      |
| <b>1</b>                         | <b>Cumi Banerjee</b>                                                                                                                                                 |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |
| <b>2</b>                         | <b>Kaushik Desai (w.e.f. 11.01.2016)</b>                                                                                                                             |           |      |   |      |
|                                  | At the beginning of the year                                                                                                                                         | 0         | 0.00 | 0 | 0.00 |
|                                  | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | N.A. | 0 | 0.00 |
|                                  | At the End of the year                                                                                                                                               | 0         | 0.00 | 0 | 0.00 |

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

| Secured Loans excluding deposits                           | Secured Loans excluding deposits | Unsecured Loans | Deposits   | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |            |                    |
| i) Principal Amount                                        | 1881460                          | NIL             | NIL        | 1881460            |
| ii) Interest due but not paid                              | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                          | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                                    | <b>1881460</b>                   | <b>NIL</b>      | <b>NIL</b> | <b>1881460</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |            |                    |
| * Addition                                                 | NIL                              | NIL             | NIL        | NIL                |
| * Reduction                                                | 750065                           | NIL             | NIL        | 750065             |
| <b>Net Change</b>                                          | <b>750065</b>                    | <b>NIL</b>      | <b>NIL</b> | <b>750065</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |            |                    |
| i) Principal Amount                                        | 1131395                          | NIL             | NIL        | 1131395            |
| ii) Interest due but not paid                              | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                          | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                                    | <b>1131395</b>                   | <b>NIL</b>      | <b>NIL</b> | <b>1131395</b>     |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole -time Directors and /or Manger:**

| Sl. No. | Particulars of Remuneration                                                    | Name of MD/WTD/Manager                                                                                                                                                                                                 |
|---------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                | <b>Dr. B. Samal</b>                                                                                                                                                                                                    |
| 1       | Gross salary                                                                   |                                                                                                                                                                                                                        |
|         | a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961 | 3213676                                                                                                                                                                                                                |
|         | b) Value of perquisites u/s 17(2) Income-tax Act, 1961                         | 1500000                                                                                                                                                                                                                |
|         | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961          | NIL                                                                                                                                                                                                                    |
| 2       | Stock Option                                                                   | NIL                                                                                                                                                                                                                    |
| 3       | Sweat Equity                                                                   | NIL                                                                                                                                                                                                                    |
| 4       | Commission                                                                     |                                                                                                                                                                                                                        |
|         | as % of profit                                                                 | NIL                                                                                                                                                                                                                    |
|         | others, specify                                                                | NIL                                                                                                                                                                                                                    |
| 5       | others, please specify                                                         | NIL                                                                                                                                                                                                                    |
|         | <b>Total (A)</b>                                                               | <b>47,13,676</b>                                                                                                                                                                                                       |
|         | Ceiling as per the Act                                                         | Minimum Yearly Remuneration as per Schedule V Part II based on Effective Capital of the Company is ₹ 60 Lakhs (excluding Contribution to Provident Fund, Gratuity and Encashment of Leave as per Rules of the Company) |

**B. Remuneration to other directors:**

| Sl. No.  | Particulars of Remuneration                | Name of Directors                                                                           |               |                      |                  |               |                |                    | Total Amount   |
|----------|--------------------------------------------|---------------------------------------------------------------------------------------------|---------------|----------------------|------------------|---------------|----------------|--------------------|----------------|
|          |                                            | Bipin Agarwal                                                                               | R.S. Loona    | Venkatesan Narayanan | Subhash Bhargava | P. K. Rath    | Bhagyam Ramani | Deb Kumar Banerjee |                |
| <b>1</b> | <b>Independent Directors</b>               |                                                                                             |               |                      |                  |               |                |                    |                |
|          | Fee for attending board committee meetings | --                                                                                          | 750000        | 330000               | 600000           | --            | 180000         | --                 | <b>1860000</b> |
|          | Commission                                 | --                                                                                          | --            | --                   | --               | --            | --             | --                 | --             |
|          | Others, please specify                     | --                                                                                          | --            | --                   | --               | --            | --             | --                 | --             |
|          | <b>Total (1)</b>                           | --                                                                                          | <b>750000</b> | <b>330000</b>        | <b>600000</b>    | --            | <b>180000</b>  | --                 | <b>1860000</b> |
| <b>2</b> | <b>Other Non-Executive Directors</b>       |                                                                                             |               |                      |                  |               |                |                    |                |
|          | Fee for attending board committee meetings | 270000                                                                                      | --            | --                   | --               | 180000        | --             | 270000             | <b>720000</b>  |
|          | Commission                                 | --                                                                                          | --            | --                   | --               | --            | --             | --                 | --             |
|          | Others, please specify                     | --                                                                                          | --            | --                   | --               | --            | --             | --                 | --             |
|          | <b>Total (2)</b>                           | <b>270000</b>                                                                               | --            | --                   | --               | <b>180000</b> | --             | <b>270000</b>      | <b>720000</b>  |
|          | <b>Total (B)=(1+2)</b>                     | <b>270000</b>                                                                               | <b>750000</b> | <b>330000</b>        | <b>600000</b>    | <b>180000</b> | <b>180000</b>  | <b>270000</b>      | <b>2580000</b> |
|          | <b>Total Managerial Remuneration (A+B)</b> |                                                                                             |               |                      |                  |               |                |                    | <b>7293676</b> |
|          | Overall Ceiling as per the Act             | Ceiling on Sitting Fees as prescribed under the Act is ₹1,00,000/- per meeting per Director |               |                      |                  |               |                |                    |                |

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD**

| Sl No.   | Particulars of Remuneration                                                        | Key Managerial Personnel                |                                                                             |
|----------|------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------|
|          |                                                                                    | CEO & Company Secretary (Cumi Banerjee) | Group Chief Financial Officer (Kaushik Desai) (appointed w.e.f. 11.01.2016) |
| <b>1</b> | <b>Gross Salary</b>                                                                |                                         |                                                                             |
|          | a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 | 32,47,830                               | 4,46,237                                                                    |
|          | b) Value of perquisites u/s 17(2) Income -tax Act, 1961                            | NIL                                     | NIL                                                                         |
|          | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                                     | NIL                                                                         |
| <b>2</b> | <b>Stock Option</b>                                                                | NIL                                     | NIL                                                                         |
| <b>3</b> | <b>Sweat Equity</b>                                                                | NIL                                     | NIL                                                                         |
| <b>4</b> | <b>Commission as % of profit others, specify</b>                                   | NIL                                     | NIL                                                                         |
| <b>5</b> | <b>Others, please specify</b>                                                      | NIL                                     | NIL                                                                         |
|          | <b>Total</b>                                                                       | <b>32,47,830</b>                        | <b>4,46,237</b>                                                             |

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/NCLT/COURT] | Appeal made, if any (give Details) |
|------------------------------|------------------------------|-------------------|-----------------------------------------------------------|---------------------------|------------------------------------|
| A. COMPANY                   |                              |                   |                                                           |                           |                                    |
| Penalty                      | NIL                          |                   |                                                           |                           |                                    |
| Punishment                   |                              |                   |                                                           |                           |                                    |
| Compounding                  |                              |                   |                                                           |                           |                                    |
| B. DIRECTORS                 |                              |                   |                                                           |                           |                                    |
| Penalty                      | NIL                          |                   |                                                           |                           |                                    |
| Punishment                   |                              |                   |                                                           |                           |                                    |
| Compounding                  |                              |                   |                                                           |                           |                                    |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |                                                           |                           |                                    |
| Penalty                      | NIL                          |                   |                                                           |                           |                                    |
| Punishment                   |                              |                   |                                                           |                           |                                    |
| Compounding                  |                              |                   |                                                           |                           |                                    |

For and on behalf of the Board  
**Industrial Investment Trust Limited**

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

Date : August 09, 2016  
Place : Mumbai



## Annexure 2

### AOC - 1

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014**

### **Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures**

#### **Part "A": Subsidiaries**

| Name of the subsidiary                                                                                                          | IITL Projects Limited (Consolidated)* | IIT Investrust Ltd | IIT Insurance Broking and Risk Management Pvt. Ltd | IITL Marketing Management Pvt. Ltd | IITL Corporate Insurance Services Pvt. Ltd |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|----------------------------------------------------|------------------------------------|--------------------------------------------|
| 1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | March 31, 2016                        | March 31, 2016     | March 31, 2016                                     | March 31, 2016                     | March 31, 2016                             |
| 2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Nil                                   | Nil                | Nil                                                | Nil                                | Nil                                        |
| 3. Share capital                                                                                                                | 120,079,000                           | 125,000,000        | 25,000,000                                         | 1,500,000                          | 2,500,000                                  |
| 4. Reserves & surplus                                                                                                           | (50,001,287)                          | 45,259,311         | 18,561,077                                         | (1,496,020)                        | (1,193,520)                                |
| 5. Total assets                                                                                                                 | 4,550,939,206                         | 171,608,021        | 107,738,961                                        | 12,079                             | 1,421,317                                  |
| 6. Total Liabilities                                                                                                            | 4,480,861,493                         | 1,348,710          | 64,177,885                                         | 8,099                              | 114,838                                    |
| 7. Investments                                                                                                                  | 250,650,816                           | 122,655,365        | -                                                  | -                                  | -                                          |
| 8. Turnover                                                                                                                     | 1,329,362,105                         | 105,640            | 9,800,503                                          | -                                  | -                                          |
| 9. Profit/(loss) before taxation                                                                                                | (83,947,272)                          | (1,385,144)        | (19,574,100)                                       | 49,787                             | (321,631)                                  |
| 10. Provision for taxation                                                                                                      | 1,838,146                             | 151,034            | 103,399                                            | -                                  | -                                          |
| 11. Profit/(loss) after taxation                                                                                                | (85,785,418)                          | (1,536,178)        | (19,677,499)                                       | 49,787                             | (321,631)                                  |
| 12. Proposed Dividend                                                                                                           | -                                     | -                  | -                                                  | -                                  | -                                          |
| 13. % of shareholding                                                                                                           | 71.74%                                | 99%                | 100%                                               | 100%                               | 100%                                       |

\* Refers to amounts from consolidated financial statements of IITL Projects Limited.

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations** - IITL Marketing Management Pvt. Ltd and IITL Corporate Insurance Services Pvt. Ltd
- Names of subsidiaries which have been liquidated or sold during the year.** Nil

#### **Part "B": Associates and Joint Ventures**

| Name of Associates/Joint Ventures                                             | World Resorts Limited (Associate)                           | Future Generali India Life Insurance Company Limited (Joint Venture) |
|-------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|
| 1. Latest audited Balance Sheet Date                                          | March 31, 2016                                              | March 31, 2016                                                       |
| 2. Shares of Associate/Joint Ventures held by the company on the year end No. | March 31, 2016<br>Equity-13,018,125<br>Preference-5,000,000 | March 31, 2016<br>Equity - 326,700,000                               |
| Amount of Investment in Associates/Joint Venture                              | Equity-155,181,250<br>Preference-250,000,000                | Equity - 3,400,000,000                                               |
| Extent of Holding %                                                           | 25%                                                         | 22.5%                                                                |
| 3. Description of how there is significant influence                          | By way of Share Capital (Associate Company)                 | By way of Share Capital (Joint Venture)                              |
| 4. Reason why the associate/joint venture is not consolidated                 | N.A.                                                        | N.A.                                                                 |
| 6. Networth attributable to Shareholding as per latest audited Balance Sheet  | 157,715,745                                                 | 463,740,935                                                          |
| 7. Profit / Loss for the year                                                 |                                                             |                                                                      |
| i. Considered in Consolidation                                                | (3,915,377)                                                 | (80,284,407)                                                         |
| ii. Not Considered in Consolidation                                           |                                                             |                                                                      |

The following information shall be furnished:-

- Names of associates or joint ventures which are yet to commence operations** Nil
- Names of associates or joint ventures which have been liquidated or sold during the year** Nil

**Dr. B. Samal**  
Chairman

**Bipin Agarwal**  
Director

**Cumi Banerjee**  
CEO & Company Secretary

**Kaushik Desai**  
Chief Financial Officer

**Place : Mumbai**  
**Date : August 09, 2016**

## **Annexure 3**

### **AOC - 2**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis - NIL.
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Date(s) of approval by the Board, if any:
  - (f) Amount paid as advances, if any:

**For and on behalf of the Board**  
**Industrial Investment Trust Limited**

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

**Date : August 09, 2016**  
**Place : Mumbai**

## Annexure 4

### **REPORT ON CSR ACTIVITIES/ INITIATIVES** **[Pursuant to Section 135 of the Act & Rules made thereunder]**

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy is provided in the table here below.

The Company will focus its efforts through programs designed in the domains of education, health and environment. The Company may also form its own Foundations / Trusts for carrying out socio-economic projects as approved by the Board or alternatively make contributions to its Associate Companies' Corporate Foundations / Trusts towards its corpus for projects approved by the Board.

A Company may also collaborate with group companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed CSR Rules.

The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring the CSR Policy from time to time. The CSR Committee shall approve and recommend to the Board, the projects or programs to be undertaken, the modalities of execution and implementation schedule from time to time.

Further, to ensure that there is focus and maximum impact, the CSR Committee will endeavour to work on selected projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

Details of the policy can be viewed on the following weblink.

**Weblink :** <http://www.iitlgroup.com/newStatic/AboutUs.aspx>

2. The composition of the CSR Committee :

Dr. B. Samal

Mr. Bipin Agarwal

Mr. Venkatesan Narayanan

3. Average Net Profit of the company for last 3 financial years : ₹ 12,21,99,271/-
4. Prescribed CSR expenditure (2% of amount) : ₹ 24,43,985/- (rounded off to ₹ 24,50,000/-)
5. Details of CSR activities/projects undertaken during the year:
  - a) total amount to be spent for the financial year : ₹ 24,50,000/-
  - b) amount un-spent, if any : ₹ 13,50,000/-

c) manner in which the amount spent during financial year, is detailed below :

| 1      | 2                                                    | 3                                                    | 4                                                                                                                                                                 | 5                                              | 6                                                                                                                                        | 7                                          | 8                                                 |
|--------|------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------------|
| Sr. No | CSR project/ activity identified                     | Sector in which the Project is covered               | Projects/ Programmes<br><br>1. Local area/ others-<br><br>2. specify the state /district (Name of the District/s, State/s where project/ programme was undertaken | Amount outlay (budget) project/ programme wise | Amount spent on the project/ programme<br><br><u>Sub-heads:</u><br><br>1. Direct expenditure on project/ programme,<br><br>2. Overheads: | Cumulative spend upto the reporting period | Amount spent: Direct/ through implementing agency |
|        |                                                      |                                                      |                                                                                                                                                                   | ₹ in lacs                                      | ₹ in lacs                                                                                                                                | ₹ in lacs                                  |                                                   |
| 1.     | For protection of national heritage, art and culture | For protection of national heritage, art and culture | World Culture Festival held at Delhi                                                                                                                              | ₹ 11.00                                        | ₹ 11.00                                                                                                                                  | ₹ 11.00                                    | Contribution made to Vyakti Vikas Kendra India    |

6. As part of CSR initiative, your Company during the financial year 2015-16 has made contribution of ₹ 11,00,000/- out of the total contribution of ₹ 24,50,000/- to Vyakti Vikas Kendra India, a registered public charitable trust for promotion of Arts and Culture at the World Culture Festival held at Delhi as prescribed under Schedule VII of the Companies Act, 2013.

Due to liquidity constraints, the Company has not made the balance contribution of ₹ 13,50,000/-. Moving forward the Company will endeavour to spend on CSR activities in accordance with the prescribed limits under Companies Act, 2013.

7. CSR activities are implemented and monitored in compliance with CSR objectives and Policy of the Company.

**Bipin Agarwal**  
Director

**Dr. B.Samal**  
Chairman of CSR Committee

**Annexure 5**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Industrial Investment Trust Limited" (CIN: L65990MH1933PLC001998) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 ("the reporting period") complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Industrial Investment Trust Limited for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the Audit Period) and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Apart from the above, the following laws were applicable specifically to the company:
- (a) Reserve Bank of India Act, 1934

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with the BSE Limited and the National Stock Exchange of India Limited.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. The Company has not made its entire amount of contribution towards Corporate Social Responsibility (CSR) activities.

**We further report that**

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** based on the information provided by the company, its officers and authorized representatives during the conduct of the audit, in our opinion, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines including labour laws viz. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and The Payment of Gratuity Act, 1972.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there was no event / action having major bearing on the Company's affairs.

For Chandanbala Jain and Associates

Chandanbala O. Mehta  
Practising Company Secretaries

Place: Mumbai  
Date: August 09, 2016

FCS: 6122  
C.P.No.: 6400

**Note: This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.**



**Annexure to Secretarial Audit Report**

The Members,  
Industrial Investment Trust Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Industrial Investment Trust Limited" (CIN: L65990MH1933PLC001998) (the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Further, our Secretarial Audit Report of even date is to be read along with this Annexed letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Chandanbala Jain and Associates  
Chandanbala O. Mehta

Practising Company Secretaries

Place: Mumbai  
Date: August 09, 2016

FCS: 6122  
C.P.No.: 6400

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMIC SCENARIO:

During the fiscal year 2015-2016, the global economic activity remained subdued, global growth slowed down to 3.1 percent. Emerging markets and developing economies grappled with tougher conditions given the depreciating currencies and slower growth. The situation worsened with declining prices of number of commodities, reduction in crude oil prices being the most significant aspect, turbulent financial markets and volatile exchange markets. These developments led to significant volatility in global financial markets. Several emerging economies saw a depreciation of their currencies during the period. There was weak demand across most economies and business sectors, over capacities which took toll on economic growth. Middle East and other nations that depend largely on natural resources like oil and gas witnessed a sharp drop in their growth. A larger than expected slow down in China, the second largest economy in the world is likely to create ripple effects on the rest of the global economy.

### INDIAN ECONOMIC SCENARIO:

Despite the global headwinds, the Indian economy recorded a growth of about 7.6 percent. Industrial output as measured by Index of Industrial Production (IIP) declined after October 2015 mainly on account of decline in manufacturing activity. However, India being a net importer of oil and other commodities got the benefit of lower crude oil and other commodity prices which resulted in lower inflation levels. The WPI, CPI and current, account deficit remained under control. In the last two years, India has become the world's fastest growing economy. In 2015-2016, India has achieved its highest ever FDI equity inflow on account of sweeping FDI reforms in Insurance, Railways, Defense sectors, etc. The Government also announced several policy measures like Jan Dhan Yojana and Direct Benefit Transfer. Long overdue reforms other than in the FDI were made in the real estate sector with the enactment of new Real Estate Act which will ensure that the home buyers get a fair deal. The enactment of the Bankruptcy Code will strengthen and speed up the resolution of stressed loans and improving ease of doing business in India. All these bears testimony that Government is focused on reviving investment climate. India is being hailed as beacon of stability, bright spot amidst a slowing global economy. Both IMF and World Bank in their reports have projected India to grow at the highest rate among major economies in 2016 and 2017. Higher global uncertainties such as decelerated growth in China, UK's exit from European Union have been a matter of concern for emerging markets including India as well as exporting nations. Indian companies having exposure to international economies may be adversely impacted.

### INDIAN CAPITAL MARKETS:

The year 2015 witnessed high volatility in equity markets on account of several factors which includes Greece crisis, China currency devaluation, falling commodity prices and US fed rate hike which kept markets under pressure. In India, there were a lot of gyrations in the stock market with BSE Sensex sliding

down from 29094.61 on April 14, 2015 to low of 22494.61 on February 28, 2016 and closed at 25341.86 on March 31, 2016. Executive actions from the Government across the infrastructure sector, defense, insurance, banking kept the market hopeful of the improvement in the business scenario. Domestic investors showed the confidence in the Indian economy and invested ₹ 67,000 crores in Indian equities. In addition, FIIs net investments stood at ₹18,106 crore in March 2016, out of which ₹16,731 crore was invested in equities and ₹ 1,375 crore was invested in debt. Initial Public Offerings surged in 2015 and raised 138.62 billion rupees in 2015 via IPOs. Despite the fear of global impact, 21 IPOs were launched in 2015 as against 5 in 2014. The Reserve Bank of India continued to ease monetary policy and reduced the repo rates so that the banks can pass the benefits of lower policy rates to the borrowers. However, major corporates and Banks remained under stress on account of debt problems, which in turn impacted the revival of private placements.

### BUSINESS OVERVIEW OF THE COMPANY, ITS SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE:

Your Company was registered with Reserve Bank of India (RBI) as a Non-Deposit taking Non-Banking Financial Company. In terms of provision of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, your Company is categorized as a 'Systemically Important Non-Deposit taking Non-Banking Financial Company'. It is primarily a Holding company, holding investments in its subsidiaries and other group companies. The activities of the Company comprises of Investment in equity shares, quoted as well as unquoted, units of Mutual Funds, Fixed Deposits with renowned banks, Intercompany deposits and loans to its Group Companies.

The Company believes that diversification is a form of growth strategy. By diversifying into different lines of business, the company can sustain and achieve the path of growth leading to a long term viability of the Company.

The Company through its subsidiaries viz, IITL Projects Limited (IITLPL) which is in the business of real estate (the details of projects undertaken by IITLPL and through Joint Ventures have been provided in the Directors' Report), IIT Investtrust is in the business of Stock Broking, IIT Insurance Broking and Risk Management Private Limited (IIT Insurance) is in the business of Direct Insurance Broking.

The Company in the year 2014 incorporated a wholly owned subsidiary IITL Corporate Insurance Services Private Limited (IITL Corporate) to undertake the business of Corporate agency. However, subsequently it was decided that the subsidiary company, IIT Insurance will continue with the business of Direct Insurance Broking and therefore IITL Corporate made an application to Future Generali India Life Insurance Company Limited (FGILICL) for withdrawal of its proposal for undertaking Corporate Agency business (Category: Life).

The Company has made an investment of ₹ 340 Crore in Future Generali India Life Insurance Company Limited, a joint venture of the company acquiring 22.5 percent of its equity capital. The management views this as a long term investment and in positive light, as insurance industry plays a crucial role in growth and development of the overall economy.

The Company through its associate company viz, World Resorts Limited (WRL) which is in the business of hospitality, owns and operates a Five Star Resort by the name "Golden Palms Hotel & Spa" off Tumkur Road, Bangalore.

IITL Marketing Management Private Limited (IMMPL) (formerly known as IIT Media and Entertainment Private Limited), the wholly owned subsidiary of the Company had not commenced any business since its inception. After the close of the financial year ended March 31, 2016, IMMPL has made an application under the 'Fast Track Exit, 2011' Scheme for striking off its name from the Register of Companies under Section 560 of the Companies Act, 1956.

#### **OPPORTUNITIES, THREATS, RISKS AND CONCERNS:**

Risk is an integral part of the Company's business. Key risks that the Company is exposed to include credit, market, liquidity, operational, legal, compliance and reputation risks among others. The Company manages these risks by maintaining conservative financial profile and by following prudent business and risk management practices. The subsidiaries of the company also manage their business risks by following proper risk management policies to avoid any adverse impact on the holding company. The Company manages the risks through proper frame work of policy and procedures approved by the Board of Directors from time to time. The Company has formulated a Risk Management Policy. The Company through the Committee for Investments / Loans and Risk Management identifies, evaluates, analyses and prioritize risks in order to address and minimize such risks. This exercise facilitates identifying risks and implement appropriate solutions for minimizing the impact of such risks on the business of the Company. Credit risk arises out of default or failure on the part of the borrowers in meeting their financial obligations towards repayment of loans and interest.

The Company classifies its loan assets as performing and non-performing in accordance with RBI guidelines. Provisions are made on standard, sub standard and doubtful assets at rates prescribed by RBI. An asset is classified as non-performing if any amount of interest or principal remains overdue for the number of stipulated days.

The Company has made a substantial investment by acquiring stake in Insurance Company as a Joint Venture participant. The insurance business is subjected to many risks like pricing risk, market-viability risk, asset related risk, lapse rates, mortality assumption risk or any other acquisition risks. Under the said circumstances, the Company is required to monitor the risks managed by the investee company in order to avoid adverse impact on the investment made by the Company.

#### **FINANCIAL PERFORMANCE:**

The Company has earned a profit after tax of ₹ 650.85 lakhs during the year compared to profit of ₹ 313.21 lakhs in the previous year. The Revenue from operations during the year is ₹ 1709.84 lakhs compared to ₹ 1138.80 lakhs in the previous year. The income of ₹ 1709.84 lakhs comprises of interest income of ₹ 894.26 lakhs and income from sale of investment property of the Company amounting to ₹ 803.29 lakhs. Net Provision of ₹ 63.22 lakhs has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 279.04 lakhs in the previous year. Segment wise performance is provided in Consolidated Financial Statements.

#### **HUMAN RESOURCE:**

Your company considers Human Resource as key drivers to the growth of the Company. The Company has performance based appraisal system. As on March 31, 2016, the total number of employees including subsidiaries was 56.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company maintains appropriate systems of Internal Control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly. The Board of Directors have adopted Related Party Transactions Policy and Whistle Blower /Vigil Mechanism for ensuring efficient conduct of the business of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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 the 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. The Internal Auditors are present at the Audit Committee Meetings where Internal Audit Reports are discussed alongside of management comments and the final observation of the Internal Auditor.

All these measures assist in timely detection of any irregularities and remedial steps that can be taken to avoid any pecuniary loss.

#### **OUTLOOK FOR 2016-17:**

India's growth rate at 7.6 percent in 2015-2016 was the fastest in recent years. The Indian economy currently stands at a strong footing with the interest rate rolling downwards, key macro variables like current account deficit and fiscal deficit mostly under control and the government's continued push for reforms and ease of doing business. There are renewed hopes that better monsoon and further reforms will expand the economy at even faster pace with a growth rate going upto 8 percent, thus

keeping inflation under control. India is likely to gain momentum in the year to come as a result of various policies taken up by the government. Key reforms like Goods and Service Tax (GST) will be a game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of tax on the cost of goods and services. GST will have a far reaching impact on almost all the aspects of the business operations in the country. Further, the 7th Pay Commission suggestion for hikes in pay outs for government employees coupled with low commodity prices will result in consumption driven growth. The year 2016-2017 could be year for India with most macro factors in place and the result of the government's push to increase investments. India has been one of the best performing markets among emerging markets, and therefore should be able to attract capital through FDI as well as capital markets.

Your Company is an Investment Company and has made investments in subsidiaries, Joint Ventures and Associates, which are in the business of real estate, insurance and hospitality. Due to crisis in real estate industry, the Company's subsidiary and its joint ventures which are into the business of real estate, have not been able to achieve the expected sales volume. This has affected the profitability as well as debt repayment capacity of the subsidiary company and some of its joint ventures. The Company hopes that with the regulatory changes and several policy

measures taken by the Government for the real estate industry, there will be increase in demand resulting in good profits.

The Company's investment in insurance business undertaken through the Joint Venture Company, Future Generali India Life Insurance Company Limited has not earned returns on the said investment, since insurance business has a long gestation period.

This has impacted the Group's business results and financial condition.

**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  
(DIN: 00007256)

Place: Mumbai  
Date: August 09, 2016

### 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.

The Securities and Exchange Board of India (SEBI) on September 02, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from December 01, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of November, 2015.

A report on compliance with the provisions of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of the 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# |
|--------|-------------------------------------------------------------|----------------------------------------|----------------------------------|--------------------------------------------------|----------------------------------------------------|
| 1      | Dr. B. Samal                                                | NI / E Executive Chairman              | 7                                | 3                                                | 3                                                  |
| 2      | Mr. Bipin Agarwal                                           | NI / NE Promoter                       | 6                                | 1                                                | 1                                                  |
| 3      | Mr. R.S. Loona                                              | I / NE                                 | 4                                | 3                                                | 1                                                  |
| 4      | Mr. Venkatesan Narayanan                                    | I / NE                                 | 3                                | 4                                                | Nil                                                |
| 5      | Mr. Subhash C. Bhargava                                     | I / NE                                 | 8                                | 8                                                | Nil                                                |
| 6      | Mrs. Bhagyam Ramani                                         | I/NE                                   | 7                                | 3                                                | Nil                                                |
| 7      | Mr. Deb Kumar Banerjee (appointed w.e.f. November 07, 2015) | NI / NE Representative of LIC of India | Nil                              | Nil                                              | Nil                                                |
| 8      | Mr. P.K. Rath (resigned w.e.f. September 28, 2015)          | NI / 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, 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.

#### 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.

#### 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. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. The terms and conditions of appointment have been disclosed on the website of the Company viz. [www.iitlgroup.com](http://www.iitlgroup.com).

#### 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 2015-2016, five Board Meetings were held i.e., on May 30, 2015, August 04, 2015, November 07, 2015, January 28, 2016 and March 15, 2016.

#### 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             | 5                              | Yes                        |
| Mr. Bipin Agarwal        | 5                              | Yes                        |
| Mr. R.S. Loona           | 5                              | Yes                        |
| Mr. Venkatesan Narayanan | 5                              | Yes                        |
| Mr. Subhash C. Bhargava  | 5                              | Yes                        |
| Mrs. Bhagyam Ramani      | 5                              | Yes                        |
| Mr. Deb Kumar Banerjee#  | 2                              | Not applicable             |
| Mr. P.K. Rath*           | 2                              | No                         |

# Appointed w.e.f. November 07, 2015

\* Resigned w.e.f. September 28, 2015



### 3. FAMILIARISATION PROGRAMME

The Company has formulated a Familiarisation Programme for Independent Directors with an aim to familiarize 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 shall conduct periodical meetings and make presentations to familiarize Independent Directors with the strategy, operations and functions of the Company.

The details of 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 website [www.iitlgroup.com](http://www.iitlgroup.com).

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

During the year, a Code of Conduct to regulate, monitor and report trading by Insiders has been approved by the Board on May 14, 2015 to conform to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code has been made applicable to cover Directors, Senior Management Personnel, persons forming part of Promoter(s)/ Promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company ("Designated Persons"). The Company Secretary is a Compliance Officer for monitoring adherence to the said Regulations.

### 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 November 07, 2015. 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 May 30, 2015, August 04, 2015, November 07, 2015, December 21, 2015, January 19, 2016 and January 28, 2016.

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. Subhash C. Bhargava | Chairman | 6                                        |
| Mr. R.S. Loona          | Member   | 6                                        |
| Mr. Deb Kumar Banerjee# | Member   | 4                                        |
| Mr. P.K. Rath*          | Member   | 2                                        |

\* Ceased to be member of Audit Committee on September 28, 2015

# Appointed as a member of Audit Committee on November 07, 2015

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 Chairman of Audit Committee was present at the Annual General Meeting held on September 16, 2015.

The representatives of Statutory 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 auditor's 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. Qualifications 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 November 07, 2015.

During the year under review, four meetings of the Nomination and Remuneration Committee were held on May 30, 2015, August 04, 2015, November 07, 2015 and December 15, 2015.

The composition and attendance of members at the Committee Meetings as on March 31, 2016 are as follows:

| Nomination and Remuneration Committee Members | Status   | No. of Nomination and Remuneration Committee Meetings Attended |
|-----------------------------------------------|----------|----------------------------------------------------------------|
| Mr. Subhash C. Bhargava                       | Chairman | 4                                                              |
| Mr. R.S. Loona                                | Member   | 4                                                              |
| Mr. P.K. Rath *                               | Member   | 2                                                              |
| Mr. Deb Kumar Banerjee#                       | Member   | -                                                              |

\* Ceased to be member of Nomination and Remuneration Committee on September 28, 2015

# Appointed as a member of Nomination and Remuneration Committee on November 07, 2015

**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 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.

The Nomination and Remuneration Policy is annexed at the end of this Report.

Details of remuneration paid to the Executive Chairman for the year 2015-2016 are given below:

| Name         | Salary      | Perquisites | Contribution to P.F and other funds | Total       |
|--------------|-------------|-------------|-------------------------------------|-------------|
|              | ₹           | ₹           | ₹                                   | ₹           |
| Dr. B. Samal | 2,869,354/- | 1,500,000/- | 344,322/-                           | 4,713,676/- |

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 2015-2016 are given below:

**Sitting Fees (excluding Service Tax)**

| Name                     | Board Meetings   | Committee Meetings | Total              |
|--------------------------|------------------|--------------------|--------------------|
|                          | ₹                | ₹                  | ₹                  |
| Mr. Bipin Agarwal        | 150,000/-        | 120,000/-          | 270,000/-          |
| Mr. R.S. Loona           | 150,000/-        | 600,000/-          | 750,000/-          |
| Mr. Venkatesan Narayanan | 150,000/-        | 180,000/-          | 330,000/-          |
| Mr. P.K. Rath*           | 60,000/-         | 120,000/-          | 180,000/-          |
| Mr. Subhash Bhargava     | 150,000/-        | 450,000/-          | 600,000/-          |
| Mrs. Bhagyam Ramani      | 150,000/-        | 30,000/-           | 180,000/-          |
| Mr. Deb Kumar Banerjee#  | 60,000/-         | 210,000/-          | 270,000/-          |
| <b>Total</b>             | <b>870,000/-</b> | <b>1,710,000/-</b> | <b>2,580,000/-</b> |

\* Resigned w.e.f. September 28, 2015

# Appointed w.e.f. November 07, 2015

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, 2016.

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 November 07, 2015.

The Committee as on March 31, 2016 comprises 3 members, namely:

|                         |                                     |
|-------------------------|-------------------------------------|
| Mr. R.S. Loona          | - Non Executive Director - Chairman |
| Dr. B. Samal            | - Member                            |
| #Mr. Deb Kumar Banerjee | - Member                            |
| *Mr. P.K. Rath          | - Member                            |

\* Ceased to be member of Stakeholders Relationship Committee on September 28, 2015

# Appointed as a member of Stakeholders Relationship Committee on November 07, 2015

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 and Chief Financial Officer of the Company 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 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 7
- No. of Shareholders complaints resolved 7
- No. of complaints not resolved to the satisfaction of the shareholders Nil
- Pending complaints as on 31.03.2016 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 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 02, 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 as on March 31, 2016 comprises 4 members, namely:

- Mr. Subhash C. Bhargava - Chairman
- Dr. B. Samal - Member
- Mr. Bipin Agarwal - Member
- Mr. R.S. Loona - Member

During the year under review, four meetings of Committee for Investments / Loans and Risk Management were held on June 18, 2015, August 04, 2015, November 07, 2015 and January 19, 2016.

**e) 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.

During the year under review, the Asset Liability Management Committee met thrice on June 16, 2015, November 05, 2015 and January 18, 2016.

**f) 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.

The Committee as on March 31, 2016 comprises 3 Directors out of which one Director is an Independent Director:

- Dr. B. Samal - Chairman
- Mr. Bipin Agarwal - Member
- Mr. Venkatesan Narayanan - Member

During the year under review, two meetings of Corporate Social Responsibility Committee were held on November 07, 2015 and January 28, 2016.

The Company has formulated CSR Policy, which is uploaded on the Website of the Company (Weblink; <http://www.iitlgroup.com/newStatic/AboutUs.aspx>).

**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 15, 2016, 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) 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. The criteria for performance evaluation of the Independent Directors is as follows:

- Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
- Adherence to ethical standards & code of conduct of Company and disclosure of non - independence, as and when it exists and disclosure of interest
- 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
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction
- Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information

**d) 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 respectively, 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/AboutUs.aspx>).

As on March 31, 2016, 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.

**e) 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/AboutUs.aspx>).

**f) 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/AboutUs.aspx> and circulated to all the Directors / employees.

**g) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 and Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.



#### h) 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.

#### i) 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. Kaushik Desai, Chief Financial Officer 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 26, 2016.

#### j) 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 Form A for Unqualified Auditors Report along with Annual Audited Financial Results 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

Location and time where last three AGMs were held:

| Sr. No. | Date               | Location                                                | Time      | Special Resolution passed                                                                                                                                                                                                                                                                  |
|---------|--------------------|---------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | September 16, 2015 | M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001 | 2.30 p.m. | 1) Re-appointment of Dr. B. Samal as Executive Chairman<br>2) Adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013<br>3) Approval of Related Party Transactions under Clause 49 of the Equity Listing Agreement |
| 2.      | August 30, 2014    | M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001 | 2.30 p.m. | 1) Approval for Limit of Borrowings under Section 180(1)(c) of the Companies Act, 2013<br>2) Approval for Related Party Transactions under Section 188 of the Companies Act, 2013                                                                                                          |
| 3.      | September 07, 2013 | M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001 | 3.30 p.m. | Re-appointment of Dr. B. Samal as Executive Chairman and Increase in Remuneration                                                                                                                                                                                                          |

No resolution has been approved by way of Postal Ballot, nor the Company proposed any resolution which required approval by way of Postal Ballot.

### 8. 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 2.24 of the Financial Statements in the Annual Report.
- 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.
- There are no inter-se relationships between Directors of the Company.
- The Company has submitted the quarterly compliance reports to the Stock Exchanges for the Financial Year 2015-2016.

### 9. MEANS OF COMMUNICATIONS

- Quarterly and annual financial results of the Company are forwarded to the 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.
- The Company has not made any presentation to any institutional investor or to any analyst during the year.
- Management Discussion and Analysis Report forms part of the Directors' Report.
- 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 : Friday, September 16, 2016 at 2:30 p.m.

Venue : M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

#### b) Financial Year : 2016-2017

Adoption of Quarterly Results for

| Quarter ending | In the month of (Tentative)      |
|----------------|----------------------------------|
| June 2016      | : On or before August 14, 2016   |
| September 2016 | : On or before November 14, 2016 |

December 2016 : On or before  
February 14, 2017

March 2017 : On or before May 30, 2017  
(Audited annual results)

**c) Book Closure period** : September 10, 2016 to  
September 16, 2016

**d) Listing on Stock** : BSE Limited,  
**Exchange** Dalal Street, Mumbai 400001  
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, 2017.

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

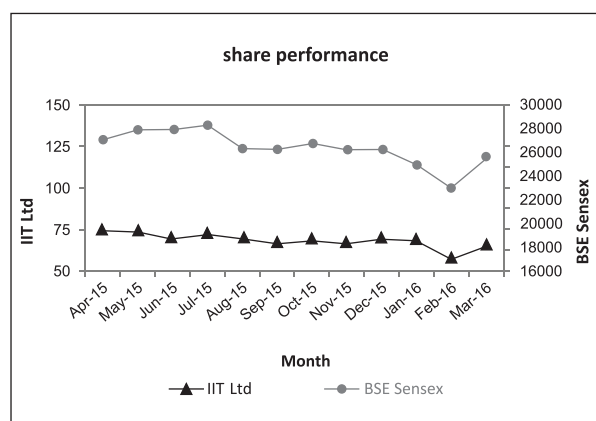
**NSE Stock Symbol** : IITL

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

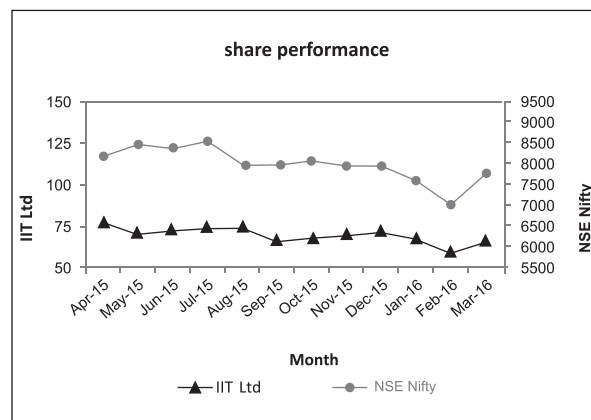
| Month           | BSE         |            |              | NSE         |            |              |
|-----------------|-------------|------------|--------------|-------------|------------|--------------|
|                 | High<br>(₹) | Low<br>(₹) | Close<br>(₹) | High<br>(₹) | Low<br>(₹) | Close<br>(₹) |
| April, 2015     | 82.00       | 72.10      | 74.20        | 84.00       | 72.10      | 75.95        |
| May, 2015       | 77.00       | 67.20      | 73.80        | 78.45       | 69.10      | 69.10        |
| June, 2015      | 74.85       | 66.10      | 70.00        | 74.50       | 65.50      | 71.70        |
| July, 2015      | 76.00       | 68.10      | 72.00        | 74.75       | 67.00      | 73.25        |
| August, 2015    | 89.50       | 70.05      | 70.05        | 90.00       | 70.00      | 72.85        |
| September, 2015 | 73.55       | 59.05      | 66.90        | 74.65       | 59.00      | 65.00        |
| October, 2015   | 72.00       | 63.00      | 69.00        | 74.30       | 60.55      | 67.10        |
| November, 2015  | 70.80       | 61.15      | 67.00        | 74.50       | 61.90      | 68.45        |
| December, 2015  | 76.20       | 65.35      | 72.40        | 72.95       | 64.10      | 71.05        |
| January, 2016   | 74.00       | 63.75      | 68.45        | 72.00       | 63.40      | 66.00        |
| February, 2016  | 68.45       | 57.95      | 57.95        | 64.70       | 56.20      | 57.80        |
| March, 2016     | 68.70       | 55.30      | 65.30        | 69.15       | 59.05      | 64.95        |

**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.: 022 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 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 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, 2016**

| Grouping of<br>Shares | No. of<br>Share-<br>holders | % of total<br>share-<br>holders | No. of<br>Shares per<br>Category | % of<br>total<br>shares |
|-----------------------|-----------------------------|---------------------------------|----------------------------------|-------------------------|
| 1 - 500               | 1625                        | 73.76                           | 273,749                          | 1.21                    |
| 501 - 1000            | 233                         | 10.58                           | 204,085                          | 0.90                    |
| 1001 - 2000           | 142                         | 6.45                            | 222,348                          | 0.99                    |
| 2001 - 3000           | 77                          | 3.49                            | 198,922                          | 0.88                    |
| 3001 - 4000           | 20                          | 0.91                            | 71,805                           | 0.32                    |
| 4001 - 5000           | 35                          | 1.59                            | 171,422                          | 0.76                    |
| 5001 - 10000          | 37                          | 1.68                            | 276,884                          | 1.23                    |
| 10001-22547550        | 34                          | 1.54                            | 21,128,335                       | 93.71                   |
| <b>TOTAL</b>          | <b>2203</b>                 | <b>100.00</b>                   | <b>22,547,550</b>                | <b>100.00</b>           |



### Shareholding pattern as on March 31, 2016

| Category                                                                         | No. of Shareholders | No. of shares held | % of shareholding |
|----------------------------------------------------------------------------------|---------------------|--------------------|-------------------|
| Promoters                                                                        | 6                   | 9,321,387          | 41.34             |
| Foreign Company                                                                  | -                   | -                  | -                 |
| Non Resident (Individual & Companies)                                            | 40                  | 76,351             | 0.34              |
| Foreign Institutional Investors                                                  | -                   | -                  | -                 |
| Insurance Companies                                                              | 3                   | 1,232,517          | 5.47              |
| Financial Institutions / Banks                                                   | 16                  | 69,150             | 0.30              |
| Mutual Funds                                                                     | -                   | -                  | -                 |
| Central Government / State Government(s)                                         | 2                   | 37,200             | 0.17              |
| Resident Individuals                                                             | 2,006               | 1,423,191          | 6.31              |
| Clearing Member                                                                  | 18                  | 20,815             | 0.09              |
| Trusts                                                                           | 7                   | 47,767             | 0.21              |
| Other bodies corporate                                                           | 63                  | 526,920            | 2.34              |
| Hindu Undivided Family                                                           | 41                  | 14,702             | 0.07              |
| Shares held by custodians and against which Depository Receipts have been issued | 1                   | 9,777,550          | 43.36             |
| <b>TOTAL</b>                                                                     | <b>2,203</b>        | <b>22,547,550</b>  | <b>100.00</b>     |

### l) Dematerialisation

The Company has entered into agreements with National Security Depository Limited and Central Depository Services Limited for the dematerialisation of shares. As on March 31, 2016, a total of 21,726,349 shares, which forms 96.36% of the share capital of the Company stands dematerialized and 821,201 shares which forms 3.64% 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 4,888,775 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, 2016, the total outstanding GDRs stood at 4,888,775.

### 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.: 022 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.: 022 4325 0100

### Auditors' Certificate on Corporate Governance

The Auditors' Certificate on compliance of the Listing Regulations 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 personnel.

On behalf of the Board of Directors

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

Place : Mumbai  
Date: August 09, 2016

## Annexure

### Nomination and Remuneration Policy

The Board of Directors of Industrial Investment Trust Limited ("the Company") constituted the "Nomination and Remuneration Committee" at the Meeting held on July 25, 2014, consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

#### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement or any amendments thereto.

##### The Key Objectives of the Committee would be:

- 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.

#### 2. DEFINITIONS

- i) Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii) Board means Board of Directors of the Company.
- iii) Directors mean Directors of the Company.
- iv) Key Managerial Personnel means
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole-time director;
  - Chief Financial Officer;
  - Company Secretary; and
  - such other officer as may be prescribed.
- v) Senior Management means, personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 3. ROLE OF COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

- A) Policy for appointment and removal of Director, KMP and Senior Management

#### Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure

##### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- Any tenure of an Independent Director on the date of commencement of Companies Act, 2013 i.e. April 01, 2014 shall not be counted for his appointment / holding office of Director under the Act.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies

as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel once a year.

#### **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

- B) Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

#### **General:**

- a) The remuneration / commission to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / commission shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration / commission to be paid to the Whole-time Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

##### **a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **Remuneration to Non- Executive / Independent Director:**

##### **a) Remuneration:**

The remuneration payable shall be fixed as mentioned in the Articles of Association of the Company and the Act.

##### **b) Sitting Fees:**

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 Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### **c) Commission:**

If at any time the Company desires to pay Commission, it may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **4. MEMBERSHIP**

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.

- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

## **5. CHAIRPERSON**

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting.

## **6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **7. COMMITTEE MEMBERS' INTERESTS**

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **9. VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. DUTIES OF THE COMMITTEE**

**The duties of the Committee in relation to nomination matters include:**

- To ensure that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- To ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identify and recommend Directors who are to be put forward for retirement by rotation.
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

**The duties of the Committee in relation to remuneration matters include:**

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company.
- to consider any other matters as may be requested by the Board.
- Professional indemnity and liability insurance for Directors and senior management.

## **11. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**INDEPENDENT AUDITORS' CERTIFICATE**

**TO THE MEMBERS OF  
INDUSTRIAL INVESTMENT TRUST LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of 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 compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Uday M. Neogi  
Partner  
(Membership No. 30235)

MUMBAI, August 09, 2016



**CERTIFICATE**  
**(UNDER REGULATION 33(2)(A) 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

Kaushik Desai  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2016

# **INDUSTRIAL INVESTMENT TRUST LIMITED**

## **STANDALONE FINANCIAL STATEMENTS**

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

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **INDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to Note 2.30 of the financial statements. As stated in the Note the net worth of Future Generali India Life Insurance Company Limited ("FGILICL"), a Joint Venture of the Company, as at 31st March 2016 has substantially eroded. However, the Management of the Company is of the view, for the reasons stated in the Note, that there is no diminution other than temporary in the value of investment of the Company in FGILICL as at 31st March, 2016.

Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) The matter related to investment of the Company in a Joint Venture described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

- f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.19(i)(a) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016.

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

**Uday M. Neogi**  
Partner  
Membership No. 30235

**MUMBAI**, 26th May, 2016

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Industrial Investment Trust Limited on the standalone financial statements for the year ended 31st March, 2016)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Industrial Investment Trust Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Uday M. Neogi**  
Partner  
Membership No. 30235

MUMBAI, 26th May, 2016



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Industrial Investment Trust Limited on the standalone financial statements for the year ended 31st March, 2016)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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) According to the information and explanations given to us and the records examined by us and based on the letter received by the Company from the Sub-Registrar (Baroda), we report that, the title deed of the Building (commercial premises) is pending registration in the name of the Company as at the balance sheet date, details of which are as follows:

| Particulars of the land and building                                                | Gross Block as at 31 March 2016 | Net Block as at 31 March 2016 | Remarks                                                                                                                                                 |
|-------------------------------------------------------------------------------------|---------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commercial Premises located at Gayatri Chambers in Baroda admeasuring 20,000 sq.ft. | ₹ 9,100,000                     | ₹ 2,956,230                   | The original conveyance deed is with the Sub-Registrar for registration. Pending submission of certain documents by the vendor, registration is pending |

- ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts are regular as per stipulations but receipts of interest are not regular.
- c) In respect of amount of ₹ 7,978,601 of interest, which is overdue for more than 90 days, as explained to us, the Management has taken reasonable steps for recovery of the interest.
- iv) In our opinion and according to the information and explanations given to us, the Company is a Non-Banking Finance Company and provisions of Sections 185 and 186 of the Companies Act, 2013 do not apply and hence reporting under clause (iv) of the CARO 2016 is also not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable and hence reporting under clause (v) of the CARO 2016 is also not applicable.
- vi) The maintenance of Cost records has not been specified by the Central Government under section 148 (1) of the Companies Act, 2013, accordingly reporting under clause (vi) of the CARO 2016 is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Dues relating to Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company for the year.
- b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- c) There are no dues of Income-tax and Service Tax as on March 31, 2016 on account of disputes.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has neither taken any loans or borrowings from banks and government nor has issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is required to be registered under section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

**Uday M. Neogi**  
Partner  
(Membership No.30235)

MUMBAI, 26th May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

| Particulars                                                                                | Note No. | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|--------------------------------------------------------------------------------------------|----------|--------------------------------|--------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                                |                                |
| <b>Shareholders' funds</b>                                                                 |          |                                |                                |
| Share capital                                                                              | 2.1      | 225,475,500                    | 225,475,500                    |
| Reserves and surplus                                                                       | 2.2      | 5,169,910,210                  | 5,104,825,326                  |
|                                                                                            |          | <b>5,395,385,710</b>           | <b>5,330,300,826</b>           |
| <b>Non-current liabilities</b>                                                             |          |                                |                                |
| Long-term borrowings                                                                       | 2.3      | 297,929                        | 1,131,395                      |
| Long term provisions                                                                       | 2.4      | 6,110,073                      | 1,017,010                      |
|                                                                                            |          | <b>6,408,002</b>               | <b>2,148,405</b>               |
| <b>Current liabilities</b>                                                                 |          |                                |                                |
| Trade payables:-                                                                           |          |                                |                                |
| (a) Total outstanding dues of micro enterprises and small enterprises; and                 | 2.32     | -                              | -                              |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 2,570,460                      | 4,193,374                      |
| Other current liabilities                                                                  | 2.5      | 5,818,636                      | 5,579,960                      |
| Short-term provisions                                                                      | 2.6      | 2,142,469                      | 29,600,879                     |
|                                                                                            |          | <b>10,531,565</b>              | <b>39,374,213</b>              |
| <b>TOTAL</b>                                                                               |          | <b>5,412,325,277</b>           | <b>5,371,823,444</b>           |
| <b>ASSETS</b>                                                                              |          |                                |                                |
| <b>Non-current assets</b>                                                                  |          |                                |                                |
| Fixed assets - Tangible                                                                    | 2.7      | 5,149,010                      | 6,523,761                      |
| Non-current investments                                                                    | 2.8      | 4,439,154,628                  | 4,490,059,776                  |
| Deferred tax assets (net)                                                                  | 2.9      | 13,424,102                     | 687,816                        |
| Long-term loans and advances                                                               | 2.10     | 383,866,215                    | 26,017,076                     |
|                                                                                            |          | <b>4,841,593,955</b>           | <b>4,523,288,429</b>           |
| <b>Current assets</b>                                                                      |          |                                |                                |
| Cash and cash equivalents                                                                  | 2.11     | 65,181,688                     | 67,784,922                     |
| Short-term loans and advances                                                              | 2.12     | 481,625,408                    | 755,229,967                    |
| Other current assets                                                                       | 2.13     | 23,924,226                     | 25,520,126                     |
|                                                                                            |          | <b>570,731,322</b>             | <b>848,535,015</b>             |
| <b>TOTAL</b>                                                                               |          | <b>5,412,325,277</b>           | <b>5,371,823,444</b>           |

See accompanying notes (1 and 2.1 to 2.35) forming part of the financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

For and on behalf of the Board of Directors

**DR. B. SAMAL**

Executive Chairman

**BIPIN AGARWAL**

Director

**UDAY M. NEOGI**

Partner

**CUMI BANERJEE**

CEO & Company Secretary

**KAUSHIK DESAI**

Chief Financial Officer

Mumbai: 26th May, 2016

Mumbai: 26th May, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars                                                                                                                              | Note No. | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|
| Revenue from operations                                                                                                                  | 2.14     | 169,858,934                         | 113,879,789                         |
| Other income                                                                                                                             | 2.15     | 1,125,123                           | -                                   |
| <b>Total Revenue</b>                                                                                                                     |          | <b>170,984,057</b>                  | <b>113,879,789</b>                  |
| Employee benefits expense                                                                                                                | 2.16     | 12,232,281                          | 10,426,358                          |
| Finance Cost                                                                                                                             | 2.17     | 693,165                             | 243,619                             |
| Depreciation expense                                                                                                                     |          |                                     |                                     |
| - on investment properties                                                                                                               |          | 5,241                               | 8,953                               |
| - on fixed assets - tangible                                                                                                             | 2.7      | 1,242,806                           | 1,968,127                           |
| Other expenses                                                                                                                           | 2.18     | 23,812,785                          | 25,275,182                          |
| Provision for diminution in value of long-term investments (net)                                                                         |          | 6,321,715                           | 27,904,405                          |
| Net loss on sale of long term investments (after adjusting provision for diminution in value ₹ 60,180,115 (Previous year ₹ 14,893,656 )) |          | 17,147,466                          | 3,904,744                           |
| Contingent provision against standard assets                                                                                             |          | -                                   | 223,000                             |
| Provision for sub-standard assets                                                                                                        |          | 36,480,000                          | -                                   |
| Provision for contingency [See note 2.33]                                                                                                |          | 5,000,000                           | -                                   |
| <b>Total expenses</b>                                                                                                                    |          | <b>102,935,459</b>                  | <b>69,954,388</b>                   |
| <b>Profit before tax</b>                                                                                                                 |          | <b>68,048,598</b>                   | <b>43,925,401</b>                   |
| Tax expense:                                                                                                                             |          |                                     |                                     |
| (a) Current tax                                                                                                                          |          | 31,700,000                          | 27,670,000                          |
| (b) Less: MAT Credit                                                                                                                     |          | (16,000,000)                        | (16,184,000)                        |
| (c) Net current tax expense                                                                                                              |          | 15,700,000                          | 11,486,000                          |
| (d) Deferred tax                                                                                                                         | 2.9      | (12,736,286)                        | 1,117,943                           |
|                                                                                                                                          |          | <b>2,963,714</b>                    | <b>12,603,943</b>                   |
| <b>Profit for the year</b>                                                                                                               |          | <b>65,084,884</b>                   | <b>31,321,458</b>                   |
| Earnings per share:                                                                                                                      | 2.23     |                                     |                                     |
| Basic and diluted                                                                                                                        |          | 2.89                                | 1.39                                |
| Nominal Value per equity share (₹)                                                                                                       |          | 10.00                               | 10.00                               |

**See accompanying notes (1 and 2.1 to 2.35) forming part of the financial statements**

In terms of our report attached.  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**DR. B. SAMAL**  
Executive Chairman

**BIPIN AGARWAL**  
Director

**UDAY M. NEOGI**  
Partner

**CUMI BANERJEE**  
CEO & Company Secretary

**KAUSHIK DESAI**  
Chief Financial Officer

Mumbai: 26th May, 2016

Mumbai: 26th May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars                                                           | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                                     |                                     |
| <b>Net profit before tax</b>                                          | <b>68,048,598</b>                   | <b>43,925,401</b>                   |
| Adjustments for:                                                      |                                     |                                     |
| Depreciation on fixed assets - tangible                               | 1,242,806                           | 1,968,127                           |
| Depreciation on investment property                                   | 5,241                               | 8,953                               |
| Interest income                                                       | (89,786,984)                        | (113,619,579)                       |
| Profit on sale of investment properties (net)                         | (80,329,478)                        | -                                   |
| Profit on sale of fixed asset                                         | (7,306)                             | -                                   |
| Reversal of reduction in the carrying amount of long term investments | (58,771)                            | -                                   |
| Reversal of contingent provision against standard assets              | (379,639)                           | -                                   |
| Finance costs                                                         | 693,165                             | 243,619                             |
| Provision for compensated absences                                    | 152,072                             | 97,849                              |
| Provision for diminution in value of long-term investments (net)      | 6,321,715                           | 27,904,405                          |
| Contingent provision against standard assets                          | -                                   | 223,000                             |
| Provision for sub-standard asset                                      | 36,480,000                          | -                                   |
| Provision for contingency                                             | 5,000,000                           | -                                   |
| Loss on sale of long-term investments (net)                           | 17,147,466                          | 3,904,744                           |
| <b>Operating loss before working capital changes</b>                  | <b>(35,471,115)</b>                 | <b>(35,343,481)</b>                 |
| <b><u>Changes in working capital</u></b>                              |                                     |                                     |
| Adjustments for (increase) / decrease in operating assets:            |                                     |                                     |
| Short-term loans and advances                                         | (182,839)                           | 1,087,967                           |
| Long-term loans and advances                                          | (5,627,553)                         | 4,136,535                           |
| Dividend account balance with banks                                   | 311,185                             | (68,982)                            |
| Adjustments for increase / (decrease) in operating liabilities:       |                                     |                                     |
| Trade payables                                                        | (1,622,914)                         | 2,767,688                           |
| Other current liabilities                                             | 466,459                             | 172,412                             |
| <b>Other adjustments :</b>                                            |                                     |                                     |
| Bank balances not considered as cash and cash equivalents             |                                     |                                     |
| - Placed                                                              | (237,136,866)                       | (210,638,671)                       |
| - Matured                                                             | 243,663,656                         | 248,715,953                         |
| Purchase of long-term investments:                                    |                                     |                                     |
| - Subsidiaries                                                        | -                                   | (2,500,000)                         |
| Proceeds from sale of long-term investments:                          |                                     |                                     |
| - Others                                                              | 27,423,463                          | 16,989,920                          |
| Proceeds from sale of investment properties                           | 80,395,512                          | -                                   |
| Loans given:                                                          |                                     |                                     |
| - Subsidiaries                                                        | (242,100,000)                       | (54,500,000)                        |
| - Associates                                                          | (83,000,000)                        | (65,000,000)                        |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**

| Particulars                                                           | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Loans realised:                                                       |                                     |                                     |
| - Associates                                                          | 214,087,398                         | 54,130,273                          |
| Interest received:                                                    |                                     |                                     |
| - Subsidiaries                                                        | 13,864,114                          | 11,988,725                          |
| - Associates                                                          | 74,408,463                          | 70,671,497                          |
| - Others                                                              | 2,749,604                           | 8,705,648                           |
| <b>Cash flow from operations</b>                                      | <b>52,228,567</b>                   | <b>51,315,484</b>                   |
| Net income tax paid                                                   | (19,770,518)                        | (17,346,862)                        |
| <b>Net cash flow from operating activities (A)</b>                    | <b>32,458,049</b>                   | <b>33,968,622</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                                     |                                     |
| Purchase of fixed assets                                              | (300,749)                           | (3,530,082)                         |
| Proceeds from sale of fixed asset                                     | 440,000                             | -                                   |
| <b>Net cash flow from / (used in) investing activities (B)</b>        | <b>139,251</b>                      | <b>(3,530,082)</b>                  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                     |                                     |
| Proceeds from long term borrowings                                    | -                                   | 1,881,460                           |
| Repayment of long term borrowings                                     | (750,065)                           | -                                   |
| Finance costs                                                         | (163,531)                           | (119,524)                           |
| Dividend and tax on dividend paid                                     | (27,448,964)                        | (44,930,773)                        |
| <b>Net cash used in financing activities (C)</b>                      | <b>(28,362,560)</b>                 | <b>(43,168,837)</b>                 |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b> | <b>4,234,740</b>                    | <b>(12,730,297)</b>                 |
| Cash and cash equivalents at the beginning of the year                | 2,059,699                           | 14,789,996                          |
| Cash and cash equivalents at the end of the year (See Note 2.11)      | <b>6,294,439</b>                    | <b>2,059,699</b>                    |

**Note:**

- Investment is the principal business activity of the Company and therefore the cash flow relating to it is included under operating activities.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Previous year figures have been regrouped wherever necessary.

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**UDAY M. NEOGI**  
Partner

Mumbai: 26th May, 2016

**For and on behalf of the Board of Directors**

**DR. B. SAMAL**  
Executive Chairman

**CUMI BANERJEE**  
CEO & Company Secretary

Mumbai: 26th May, 2016

**BIPIN AGARWAL**  
Director

**KAUSHIK DESAI**  
Chief Financial Officer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.1 Corporate Information

Industrial Investment Trust Limited (the Company) is a Public company incorporated under the provisions of the Companies Act, 1956. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India. The Company has been classified as an Investment Company.

### 1.2 Significant Accounting Policies

(A) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 2013 Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (RBI guidelines).

An asset or a liability is classified as current if it is expected to realise or settle within 12 months after Balance Sheet date.

(B) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(C) Revenue Recognition:

- (a) Interest on all lending such as inter corporate deposits and finance against securities are accounted on time proportionate basis except in case of non-performing assets, where it is recognised upon realisation, as per RBI guidelines.
- (b) Rental income is accrued on the basis of the agreement.
- (c) Dividend income is accounted for when the right to receive it is established.
- (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.

(D) Fixed Assets:

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

(E) Depreciation:

- (a) Depreciation on tangible fixed assets has been provided on the written down value basis as per the useful life prescribed in Schedule II to the 2013 Act.
- (b) Depreciation on additions to fixed assets is provided for the full period irrespective of the date of addition. No depreciation is provided on deletions to fixed assets in the year of sale.

(F) Investments:

Long Term Investments (excluding investment property) 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.

Investment properties are carried individually at cost less accumulated depreciation. Investment properties are capitalised and depreciated in accordance with the policy stated for Fixed Assets.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### 1.2 Significant Accounting Policies (Contd.)

#### (G) Taxation:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### (H) Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best 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 best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### (I) 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 Statement of Profit and Loss on a straight-line basis over the lease term.

#### (J) Employee benefits:

##### (a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period 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 Plans are charged to Statement of Profit and Loss as incurred.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### 2. Defined Benefit Plans:

#### Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### 3. Other long term employee benefits:

#### 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 Statement of Profit and Loss.

### (K) Foreign Currency Transactions:

Transactions in foreign currencies are translated to reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expense in the Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing date rates and unrealized translation differences are included in the Statement of Profit and Loss.

### (L) Share issue expenses:

Share issue expenses are adjusted against Securities Premium Account in terms of Section 52 of the 2013 Act, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in Securities Premium Account is expensed in the Statement of Profit and Loss.

### (M) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### (N) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### (O) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.1 Share Capital**

| Particulars                                                                                                                                                | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Authorised</b>                                                                                                                                          |                                |                                |
| 30,000,000 (previous year 30,000,000) Equity shares of ₹ 10 each                                                                                           | 300,000,000                    | 300,000,000                    |
| 5,000,000 (previous year 5,000,000) Preference shares of ₹ 10 each.                                                                                        | 50,000,000                     | 50,000,000                     |
| <b>Issued, subscribed and fully paid-up:</b>                                                                                                               |                                |                                |
| 22,547,550 (previous year 22,547,550) Equity shares of ₹ 10 each                                                                                           | 225,475,500                    | 225,475,500                    |
| [Included above are 9,777,550 (Previous year: 9,777,550) equity shares represented by 4,888,775 (Previous year: 4,888,775) Global Depository Shares "GDS"] |                                |                                |
| <b>Total</b>                                                                                                                                               | <b>225,475,500</b>             | <b>225,475,500</b>             |

**(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| Equity Shares                                                                          | As at 31st March, 2016 |                    | As at 31st March 2015 |                    |
|----------------------------------------------------------------------------------------|------------------------|--------------------|-----------------------|--------------------|
|                                                                                        | No. of shares          | ₹                  | No. of shares         | ₹                  |
| <b>Opening Balance</b>                                                                 | 22,547,550             | 225,475,500        | 21,827,550            | 218,275,500        |
| Add:- Conversion of Compulsorily Convertible Preference Shares (CCPS) to equity shares | -                      | -                  | 720,000               | 7,200,000          |
| <b>Closing balance</b>                                                                 | <b>22,547,550</b>      | <b>225,475,500</b> | <b>22,547,550</b>     | <b>225,475,500</b> |

The Company had issued 4,888,775 Global Depository Shares ('GDSs') representing 9,777,550 equity shares of the Company of nominal value ₹ 10 each, aggregating to US \$ 59.89 millions equivalent to ₹ 3,377,606,725 (including share premium of ₹ 3,279,831,225). The GDSs are listed on Luxembourg Stock Exchange.

| 10% Compulsorily Convertible Preference Shares | As at 31st March 2016 |          | As at 31st March 2015 |           |
|------------------------------------------------|-----------------------|----------|-----------------------|-----------|
|                                                | No. of shares         | ₹        | No. of shares         | ₹         |
| <b>Opening Balance</b>                         | -                     | -        | 720,000               | 7,200,000 |
| Less:- Conversion of CCPS to equity shares     | -                     | -        | 720,000               | 7,200,000 |
| <b>Closing balance</b>                         | <b>-</b>              | <b>-</b> | <b>-</b>              | <b>-</b>  |

During the year 2012-13, the Company had allotted 2,770,000 10% Compulsorily Convertible Preference Shares of ₹ 10 each on a preferential basis to companies in the promoter group at a price of ₹ 350/- per share. The closing balance of 720,000 CCPS as on 31st March 2014 was converted to equity shares on 3rd April 2014.

**(b) Rights, preferences and restrictions attached to equity shares**

Equity shares of the Company are issued at a par value of ₹ 10 per share.

(i) **Equity Shares represented by GDS** - Holders of the GDSs will have no voting rights with respect to the underlying equity shares. The Depository will not exercise any voting rights with respect to the deposited shares. Other rights, preferences and restrictions are same as other equity shares.

(ii) **Other Equity Shares** - Each holder of other equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all claims/liabilities and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

- (c) Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

| Particulars                                                | As at 31st March, 2016 |              | As at 31st March, 2015 |              |
|------------------------------------------------------------|------------------------|--------------|------------------------|--------------|
|                                                            | No. of Shares held     | % of Holding | No. of Shares held     | % of Holding |
| N. N. Financial Services Private Limited                   | 7,087,960              | 31.44        | 7,087,960              | 31.44        |
| Nimbus India Limited                                       | 2,183,427              | 9.68         | 2,183,427              | 9.68         |
| Life Insurance Corporation of India                        | 1,225,017              | 5.43         | 1,225,017              | 5.43         |
| The Bank of New York Mellon (Depository for GDS holders) * | 9,777,550              | 43.36        | 9,777,550              | 43.36        |

\* The Company does not have the details of the individual holders.

- (d) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.
- (e) **Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000**

Regarding issue of preference shares:

| Particulars                                              | During the year ended |                  |
|----------------------------------------------------------|-----------------------|------------------|
|                                                          | 31st March, 2016      | 31st March, 2015 |
|                                                          | ₹                     | ₹                |
| Unutilised monies as on April 1                          | -                     | 7,918,029        |
| Purpose for which the money received has been utilized : |                       |                  |
| Loans given to entities under significant influence      | -                     | 7,918,029        |
|                                                          | -                     | <b>7,918,029</b> |
| Unutilised monies                                        | -                     | -                |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.2 Reserves and surplus**

| Particulars                                                                                                                                                                            | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Capital Reserve</b>                                                                                                                                                                 |                                |                                |
| Balance as per last Balance Sheet                                                                                                                                                      | 750                            | 750                            |
| <b>Securities Premium Account</b>                                                                                                                                                      |                                |                                |
| Balance as per last Balance Sheet                                                                                                                                                      | 4,186,487,469                  | 4,186,487,469                  |
| <b>General Reserve</b>                                                                                                                                                                 |                                |                                |
| Balance as per last Balance Sheet                                                                                                                                                      | 185,542,587                    | 185,542,587                    |
| <b>Special Reserve (as per the RBI regulations)</b>                                                                                                                                    |                                |                                |
| Opening balance                                                                                                                                                                        | 309,390,023                    | 303,125,731                    |
| Add: Transfer from Surplus in the Statement of Profit and Loss                                                                                                                         | 13,016,977                     | 6,264,292                      |
| Closing balance                                                                                                                                                                        | 322,406,999                    | 309,390,023                    |
| <b>Surplus in Statement of Profit and Loss</b>                                                                                                                                         |                                |                                |
| Opening balance                                                                                                                                                                        | 423,404,497                    | 425,666,915                    |
| Add: Profit for the year                                                                                                                                                               | 65,084,884                     | 31,321,458                     |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life [(Net of deferred tax of ₹ 93,615)] (See note 2.31) | -                              | 181,804                        |
| Less: Dividend proposed to be distributed to equity shareholders (₹ Nil per share, previous year ₹ 1.00 per share)                                                                     | -                              | 22,543,605                     |
| Less: Dividend proposed to be distributed to CCPS shareholders (previous year ₹ 1.00 per share)"                                                                                       | -                              | 3,945                          |
| Less: Tax on dividend                                                                                                                                                                  | -                              | 4,590,230                      |
| Transferred to:                                                                                                                                                                        |                                |                                |
| - Special Reserve                                                                                                                                                                      | 13,016,977                     | 6,264,292                      |
| <b>Closing balance</b>                                                                                                                                                                 | <b>475,472,404</b>             | <b>423,404,497</b>             |
| <b>Total</b>                                                                                                                                                                           | <b>5,169,910,210</b>           | <b>5,104,825,326</b>           |

**2.3 Long term borrowings**

| Particulars                                               | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|-----------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Term Loans (Secured) :</b>                             |                                |                                |
| Vehicle loan from Financial Institution:                  | 1,131,395                      | 1,881,460                      |
| Less: Current maturities of long-term debt (See Note 2.5) | 833,466                        | 750,065                        |
|                                                           | 297,929                        | 1,131,395                      |
| <b>Total</b>                                              | <b>297,929</b>                 | <b>1,131,395</b>               |

**Notes :**

Details of terms of repayment and security provided:

| Particulars                  | Terms of Repayment                                                                                                                                                                                | Security Provided                                                |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Kotak Mahindra Prime Limited | Repayable in 35 Equated Monthly Installments (EMI) each of ₹ 76,133; Number of Installments outstanding as at 31st March, 2016: 16 (As at 31st March 2015: 28) Interest is charged at 10.25% p.a. | Secured by hypothecation of the vehicle purchased from the loan. |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.4 Long term provisions**

| Particulars                                 | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|---------------------------------------------|--------------------------------|--------------------------------|
| Provision for employee benefits:            |                                |                                |
| Compensated absences                        | 1,110,073                      | 1,017,010                      |
| Provision - Others:                         |                                |                                |
| Provision for contingency [refer note 2.33] | 5,000,000                      | -                              |
| <b>Total</b>                                | <b>6,110,073</b>               | <b>1,017,010</b>               |

**2.5 Other current liabilities**

| Particulars                                                    | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|----------------------------------------------------------------|--------------------------------|--------------------------------|
| Current maturities of long-term debt (See Note 2.3)            | 833,466                        | 750,065                        |
| Unclaimed dividends *                                          | 3,887,249                      | 4,198,433                      |
| Other payables:                                                |                                |                                |
| Statutory remittances (Contributions to PF, Service Tax, etc.) | 557,677                        | 601,432                        |
| Others                                                         | 540,244                        | 30,030                         |
| <b>Total</b>                                                   | <b>5,818,636</b>               | <b>5,579,960</b>               |

\* Investor Protection and Education Fund is being credited as and when due.

**2.6 Short term provisions**

| Particulars                                                               | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|---------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Provision for employee benefits:                                          |                                |                                |
| Compensated absences                                                      | 558,609                        | 499,600                        |
| Provision - Others:                                                       |                                |                                |
| Income tax [net of advance tax ₹ 25,744,501 (previous year ₹ 25,744,501)] | 25,499                         | 25,499                         |
| Contingent Provision against Standard Assets                              | 1,558,361                      | 1,938,000                      |
| Proposed equity dividend                                                  | -                              | 22,543,605                     |
| Proposed preference dividend                                              | -                              | 3,945                          |
| Tax on proposed dividend                                                  | -                              | 4,590,230                      |
| <b>Total</b>                                                              | <b>2,142,469</b>               | <b>29,600,879</b>              |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### 2.7 Fixed assets - Tangible

| ASSETS Owned           | GROSS BLOCK                              |                                      |                              | DEPRECIATION                             |                                        |                                                                                                        |                              | NET BLOCK                                |                                        |
|------------------------|------------------------------------------|--------------------------------------|------------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------|----------------------------------------|
|                        | As at 1st April, 2015                    | Additions                            | Disposals / Adjustments      | As at 31st March, 2016                   | For the year                           | Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (see note 2.31) | On disposals                 | As at 31st March, 2016                   | As at 31st March, 2015                 |
| Buildings*             | 9,100,000<br>(9,100,000)                 | -<br>(-)                             | -<br>(-)                     | 9,100,000<br>(9,100,000)                 | 149,229<br>(156,762)                   | -<br>(-)                                                                                               | -<br>(-)                     | 6,143,770<br>(5,994,541)                 | 2,956,230<br>(3,105,459)               |
| Furniture and fixtures | 299,119<br>(186,057)                     | 64,800<br>(113,062)                  | -<br>(-)                     | 363,919<br>(299,119)                     | 52,615<br>(51,601)                     | -<br>(-)                                                                                               | -<br>(-)                     | 227,244<br>(174,629)                     | 136,675<br>(124,490)                   |
| Vehicles               | 5,871,057<br>(2,564,325)                 | -<br>(3,306,732)                     | 1,616,896<br>(-)             | 4,254,161<br>(5,871,057)                 | 825,107<br>(1,429,477)                 | -<br>(-)                                                                                               | 1,184,202<br>(-)             | 2,456,222<br>(2,815,317)                 | 1,797,939<br>(3,055,740)               |
| Office equipment       | 1,306,970<br>(1,196,682)                 | 189,549<br>(110,288)                 | -<br>(-)                     | 1,496,519<br>(1,306,970)                 | 152,648<br>(169,655)                   | -<br>(255,260)                                                                                         | -<br>(-)                     | 1,284,084<br>(1,131,436)                 | 212,435<br>(175,534)                   |
| Computers              | 578,712<br>(578,712)                     | 46,400<br>(-)                        | -<br>(-)                     | 625,112<br>(578,712)                     | 63,207<br>(160,632)                    | -<br>(20,159)                                                                                          | -<br>(-)                     | 579,381<br>(516,174)                     | 45,731<br>(62,538)                     |
| <b>Total</b>           | <b>17,155,858</b><br><b>(13,625,776)</b> | <b>300,749</b><br><b>(3,530,082)</b> | <b>1,616,896</b><br><b>-</b> | <b>15,839,711</b><br><b>(17,155,858)</b> | <b>1,242,806</b><br><b>(1,968,127)</b> | <b>-</b><br><b>(275,419)</b>                                                                           | <b>1,184,202</b><br><b>-</b> | <b>10,690,701</b><br><b>(10,632,097)</b> | <b>5,149,010</b><br><b>(6,523,761)</b> |
|                        |                                          |                                      |                              |                                          |                                        |                                                                                                        |                              |                                          | <b>6,523,761</b><br><b>(5,237,225)</b> |

Figure stated in brackets pertain to the previous year

\*Buildings represent commercial premises at Gayatri Chambers, Baroda, the title deed in respect of which is under registration.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.8 Non-current investments**

| Particulars                                                                   | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|-------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>(I) Trade Investments (valued at cost) [See Note 2.8 (a)]</b>              |                                |                                |
| <b>(A) Investment in Equity Instruments (fully paid-up):</b>                  |                                |                                |
| - of subsidiaries                                                             |                                |                                |
| - quoted (i)                                                                  | 136,123,073                    | 136,123,073                    |
| - unquoted                                                                    | 146,410,000                    | 146,410,000                    |
| - Less: Provision for diminution in the value of investments                  | (1,500,000)                    | -                              |
| (ii)                                                                          | 144,910,000                    | 146,410,000                    |
| (i)+(ii)                                                                      | <b>281,033,073</b>             | <b>282,533,073</b>             |
| - of associate, unquoted                                                      | 155,181,250                    | 155,181,250                    |
| - of joint venture, unquoted [see note 2.30]                                  | 3,400,000,000                  | 3,400,000,000                  |
| <b>Total (A)</b>                                                              | <b>3,836,214,323</b>           | <b>3,837,714,323</b>           |
| <b>(B) Investment in Preference Shares (fully paid-up) [See Note 2.8 (a)]</b> |                                |                                |
| - of subsidiary                                                               |                                |                                |
| 12% Non-Convertible Cumulative Redeemable Preference shares, unquoted         | 350,000,000                    | 350,000,000                    |
| - of associate                                                                |                                |                                |
| 10% Cumulative Redeemable Preference shares, unquoted                         | 250,000,000                    | 250,000,000                    |
| <b>Total (B)</b>                                                              | <b>600,000,000</b>             | <b>600,000,000</b>             |
| <b>Total (A+B)</b>                                                            | <b>4,436,214,323</b>           | <b>4,437,714,323</b>           |
| <b>(II) Other investments</b>                                                 |                                |                                |
| <b>Investment in Equity Instruments (fully paid-up):</b>                      |                                |                                |
| - of other entities, quoted [See Note 2.8 (a)]                                | 17,848,549                     | 122,599,624                    |
| Less: Provision for diminution in the value of investments                    | (15,008,855)                   | (70,426,057)                   |
|                                                                               | <b>2,839,694</b>               | <b>52,173,567</b>              |
| - of other entities, unquoted [See Note 2.8 (a)]                              | 28,148,218                     | 28,148,218                     |
| Less: Provision for diminution in the value of investments                    | (28,148,218)                   | (28,148,218)                   |
|                                                                               | -                              | -                              |
| <b>Investment properties (valued at cost less accumulated depreciation)</b>   |                                |                                |
| Immovable properties (cost)                                                   | 658,359                        | 1,069,071                      |
| Less: Accumulated depreciation                                                | (557,748)                      | (897,185)                      |
|                                                                               | <b>100,611</b>                 | <b>171,886</b>                 |
| <b>Total</b>                                                                  | <b>100,611</b>                 | <b>171,886</b>                 |
| <b>Total</b>                                                                  | <b>4,439,154,628</b>           | <b>4,490,059,776</b>           |
| Aggregate amount of quoted investments (net of provision)                     | 138,962,767                    | 188,296,640                    |
| Aggregate market value of quoted investments                                  | 94,566,173                     | 106,196,275                    |
| Aggregate value of listed but not quoted investments (net of provision)       | -                              | -                              |
| Aggregate amount of unquoted investments (net of provision)                   | 4,300,091,250                  | 4,301,591,250                  |
| Investment properties                                                         | 100,611                        | 171,886                        |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.8 (a) Details of Non-current investments**

| Name of the Company                                       | Face Value<br>per Share<br>₹ | As at 31st March, 2016 |                 | As at 31st March, 2015 |                 |
|-----------------------------------------------------------|------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                           |                              | Holding<br>Nos.        | Book Value<br>₹ | Holding<br>Nos.        | Book Value<br>₹ |
| (I) Trade Investments                                     |                              |                        |                 |                        |                 |
| (A) Investment in Equity Instruments:                     |                              |                        |                 |                        |                 |
| - of subsidiaries                                         |                              |                        |                 |                        |                 |
| - quoted                                                  |                              |                        |                 |                        |                 |
| IITL Projects Limited                                     | 10                           | 3,580,347              | 136,123,073     | 3,580,347              | 136,123,073     |
| - unquoted                                                |                              |                        |                 |                        |                 |
| 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      |
| IITL Corporate Insurance Service Limited                  | 10                           | 250,000                | 2,500,000       | 250,000                | 2,500,000       |
| IITL Marketing Management Private Limited                 | 10                           | 150,000                | 1,500,000       | 150,000                | 1,500,000       |
|                                                           |                              |                        | 146,410,000     |                        | 146,410,000     |
|                                                           | Sub-total                    |                        | 282,533,073     |                        | 282,533,073     |
| - of associate, unquoted                                  |                              |                        |                 |                        |                 |
| World Resorts Limited                                     | 10                           | 13,018,125             | 155,181,250     | 13,018,125             | 155,181,250     |
| - of joint venture, unquoted [See Note 2.30]              |                              |                        |                 |                        |                 |
| Future Generali India Life Insurance Company Limited      | 10                           | 326,700,000            | 3,400,000,000   | 326,700,000            | 3,400,000,000   |
|                                                           | Total (A)                    |                        | 3,837,714,323   |                        | 3,837,714,323   |
| (B) Investment in Preference Shares:                      |                              |                        |                 |                        |                 |
| - of subsidiary, unquoted                                 |                              |                        |                 |                        |                 |
| IITL Projects Limited                                     | 10                           | 7,000,000              | 350,000,000     | 7,000,000              | 350,000,000     |
| - of associate, unquoted                                  |                              |                        |                 |                        |                 |
| World Resorts Limited                                     | 10                           | 5,000,000              | 250,000,000     | 5,000,000              | 250,000,000     |
|                                                           | Total (B)                    |                        | 600,000,000     |                        | 600,000,000     |
|                                                           | Total (A)+(B)                |                        | 4,437,714,323   |                        | 4,437,714,323   |
| (II) Other investments                                    |                              |                        |                 |                        |                 |
| Investment in Equity Instruments                          |                              |                        |                 |                        |                 |
| - of other entities, quoted                               |                              |                        |                 |                        |                 |
| Ansal Properties and Infrastructure Limited               | 5                            | -                      | -               | 4,500                  | 1,937,062       |
| DLF Limited                                               | 2                            | -                      | -               | 3,500                  | 1,545,633       |
| GMR Infrastructure Limited                                | 1                            | -                      | -               | 6,900                  | 574,051         |
| HBL Power Systems Limited                                 | 1                            | -                      | -               | 2,950                  | 133,554         |
| India Cements Limited                                     | 10                           | -                      | -               | 5,895                  | 969,998         |
| Jaiprakash Associates Limited                             | 2                            | -                      | -               | 1,000                  | 173,724         |
| Jaiprakash Power Venture Limited                          | 10                           | -                      | -               | 14,000                 | 1,307,193       |
| NHPC Limited                                              | 10                           | -                      | -               | 45,000                 | 1,541,307       |
| Reliance Capital Limited                                  | 10                           | -                      | -               | 9,995                  | 14,851,359      |
| Reliance Communications Limited                           | 5                            | -                      | -               | 175,000                | 45,671,012      |
| Reliance Industries Limited                               | 10                           | -                      | -               | 4,912                  | 10,037,676      |
| Reliance Power Limited                                    | 10                           | -                      | -               | 100,000                | 21,886,285      |
| Unitech Limited                                           | 2                            | 299,625                | 17,848,549      | 368,825                | 21,970,770      |
|                                                           | Total                        |                        | 17,848,549      |                        | 122,599,624     |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.8 (a) Details of Non-current investments (contd.)**

| Name of the Company                                                    | Face Value | As at 31st March, 2016 |                   | As at 31st March, 2015 |                    |
|------------------------------------------------------------------------|------------|------------------------|-------------------|------------------------|--------------------|
|                                                                        | per Share  | Holding                | Book Value        | Holding                | Book Value         |
|                                                                        | ₹          | Nos.                   | ₹                 | Nos.                   | ₹                  |
| <b>- of other entities, unquoted</b>                                   |            |                        |                   |                        |                    |
| Reliance Media Works Limited                                           | 5          | 10,000                 | 3,668,331         | 10,000                 | 3,668,331          |
| Reliance Broadcast Network Limited                                     | 5          | 10,000                 | 1,794,343         | 10,000                 | 1,794,343          |
| SQL Star International Limited *                                       | 10         | 547,677                | 22,685,544        | 547,677                | 22,685,544         |
|                                                                        |            |                        | <b>28,148,218</b> |                        | <b>28,148,218</b>  |
| * Listed but unquoted as scrip has been suspended due to penal reasons |            |                        |                   |                        |                    |
| <b>Total</b>                                                           |            |                        | <b>45,996,767</b> |                        | <b>150,747,842</b> |

**2.9 Deferred tax assets**

| Nature of timing difference                                        | Deferred tax assets / (liabilities) As at 31st March, 2015 | (Charge) / credit for the current year | Deferred tax assets / (liabilities) As at 31st March, 2016 |
|--------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                                                                    | ₹                                                          | ₹                                      | ₹                                                          |
| <b>Deferred tax liabilities:</b>                                   |                                                            |                                        |                                                            |
| On difference between book balance and tax balance of fixed assets | (454,382)                                                  | 135,876                                | (318,506)                                                  |
| <b>Deferred tax assets:</b>                                        |                                                            |                                        |                                                            |
| Disallowances under Section 43B of the Income Tax Act, 1961        | 501,437                                                    | 76,094                                 | 577,531                                                    |
| Contingent Provision against standard assets                       | 640,761                                                    | (101,412)                              | 539,349                                                    |
| Contingent Provision against sub-standard assets                   | -                                                          | 12,625,728                             | 12,625,728                                                 |
| <b>Deferred tax assets (net)</b>                                   | <b>687,816</b>                                             | <b>12,736,286</b>                      | <b>13,424,102</b>                                          |

**2.10 Long-term loans and advances (unsecured considered good, unless otherwise stated)**

| Particulars                                                                                 | As at 31st March, 2016 | As at 31st March, 2015 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                             | ₹                      | ₹                      |
| <b>Loans and advances to related parties [see note 2.24]</b>                                |                        |                        |
| <u>Standard asset -</u>                                                                     |                        |                        |
| Loan to an entity under significant influence                                               | 20,000,000             | -                      |
| <u>Sub-standard asset -</u>                                                                 |                        |                        |
| Loan to a subsidiary                                                                        | 364,800,000            | -                      |
| Less:- Provision for sub-standard asset                                                     | (36,480,000)           | -                      |
|                                                                                             | 348,320,000            | -                      |
| Security deposits                                                                           | 190,088                | 4,296,512              |
| Deposit placed against disputed property tax (See note 2.33)                                | 10,389,567             | -                      |
| Debit balance in gratuity fund                                                              | 126,523                | 421,410                |
| Advance payment of income tax [net of provisions ₹ 82,829,000 (Previous year ₹ 81,704,000)] | 24,840,037             | 21,299,154             |
| <b>Total</b>                                                                                | <b>383,866,215</b>     | <b>26,017,076</b>      |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.11 Cash and cash equivalents**

| Particulars                                                         | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Cash and cash equivalents (As per AS 3 Cash Flow Statements)</b> |                                |                                |
| Cash on hand                                                        | 15,346                         | 17,660                         |
| Cheques, drafts on hand                                             | 1,674,000                      | -                              |
| <u>Balances with banks:</u>                                         |                                |                                |
| - In current accounts                                               | 4,599,546                      | 1,804,496                      |
| - Others (Balance in foreign currency travellers cards)             | 5,547                          | 237,543                        |
|                                                                     | <b>6,294,439</b>               | <b>2,059,699</b>               |
| <b>Other Bank Balances:</b>                                         |                                |                                |
| - In deposit accounts with original maturity of more than 3 months  | 55,000,000                     | 61,526,790                     |
| - In earmarked accounts - unpaid dividend accounts                  | 3,887,249                      | 4,198,433                      |
|                                                                     | <b>58,887,249</b>              | <b>65,725,223</b>              |
| <b>Total</b>                                                        | <b>65,181,688</b>              | <b>67,784,922</b>              |

**2.12 Short-term loans and advances (unsecured, considered good)**

| Particulars                                                         | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Loans and advances to related parties [See Note 2.24]</b>        |                                |                                |
| <u>Standard assets (including Special Mention Accounts (SMA)) -</u> |                                |                                |
| Loan to a subsidiary                                                | 31,800,000                     | 154,500,000                    |
| Loans to entities under significant influence                       | 429,782,329                    | 565,869,727                    |
| Loan to an associate                                                | 15,000,000                     | 30,000,000                     |
| Advances to subsidiaries                                            | 253,266                        | 263,446                        |
|                                                                     | <b>476,835,595</b>             | <b>750,633,173</b>             |
| <b>Other loans and advances</b>                                     |                                |                                |
| Security deposits                                                   | 4,106,424                      | 4,106,424                      |
| Prepaid expenses                                                    | 651,889                        | 490,370                        |
| Advances to vendors                                                 | 31,500                         | -                              |
|                                                                     | <b>4,789,813</b>               | <b>4,596,794</b>               |
| <b>Total</b>                                                        | <b>481,625,408</b>             | <b>755,229,967</b>             |

**2.13 Other current assets (Unsecured, considered good)**

| Particulars                                                                                      | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|--------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Interest accrued but not due</b>                                                              |                                |                                |
| - bank deposits                                                                                  | 954,268                        | 614,686                        |
| <b>Interest accrued and due<br/>(Standard Assets - including Special Mention Accounts (SMA))</b> |                                |                                |
| - loans [includes SMA of ₹ 16,035,194 (previous year ₹ Nil)]                                     | 22,969,958                     | 24,905,440                     |
| <b>Total</b>                                                                                     | <b>23,924,226</b>              | <b>25,520,126</b>              |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.14 Revenue from operations**

| Particulars                                  | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|----------------------------------------------|-------------------------------------|-------------------------------------|
| Interest [See Note 2.14 (a)]                 | 89,426,281                          | 113,619,579                         |
| Other financial services [See Note 2.14 (b)] | 103,175                             | 260,210                             |
| Other operating income [See Note 2.14 (c)]   | 80,329,478                          | -                                   |
| <b>Total</b>                                 | <b>169,858,934</b>                  | <b>113,879,789</b>                  |

**2.14 (a) Interest**

| Particulars              | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|--------------------------|-------------------------------------|-------------------------------------|
| Interest:                |                                     |                                     |
| - On deposits with banks | 3,089,186                           | 6,708,578                           |
| - On loans               | 86,337,095                          | 106,911,001                         |
| <b>Total</b>             | <b>89,426,281</b>                   | <b>113,619,579</b>                  |

**2.14 (b) Other financial services**

| Particulars                                                        | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|--------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Dividend income on long-term quoted investments (other than trade) | 103,175                             | 260,210                             |
| <b>Total</b>                                                       | <b>103,175</b>                      | <b>260,210</b>                      |

**2.14 (c) Other operating income**

| Particulars                                   | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| Profit on sale of investment properties (net) | 80,329,478                          | -                                   |
| <b>Total</b>                                  | <b>80,329,478</b>                   | <b>-</b>                            |

**2.15 Other income**

| Particulars                                                                   | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest on deposits placed                                                   | 360,703                             | -                                   |
| Provision no longer required for diminution in value of long term investments | 58,771                              | -                                   |
| Reversal of contingent provision against standard assets                      | 379,639                             | -                                   |
| Profit on sale of fixed asset                                                 | 7,306                               | -                                   |
| Miscellaneous income                                                          | 318,704                             | -                                   |
| <b>Total</b>                                                                  | <b>1,125,123</b>                    | <b>-</b>                            |

**2.16 Employee benefits expense**

| Particulars                                               | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-----------------------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries and bonus                                        | 10,737,391                          | 9,175,605                           |
| Contribution to provident and other funds (see note 2.22) | 1,175,453                           | 881,991                             |
| Staff welfare expenses                                    | 319,437                             | 368,762                             |
| <b>Total</b>                                              | <b>12,232,281</b>                   | <b>10,426,358</b>                   |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.17 Finance cost**

| Particulars            | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|------------------------|-------------------------------------|-------------------------------------|
| Interest on borrowings | 163,531                             | 119,524                             |
| Interest on Income Tax | 529,634                             | 124,095                             |
| <b>Total</b>           | <b>693,165</b>                      | <b>243,619</b>                      |

**2.18 Other expenses**

| Particulars                                                                                          | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Electricity charges (net of recovery ₹ 381,041; previous year ₹ 426,736)                             | 1,011,053                           | 1,203,666                           |
| Rent including lease rentals (net of recovery ₹ 840,000; previous year ₹ 840,000)<br>[See Note 2.25] | 2,942,700                           | 2,942,700                           |
| Repairs and Maintenance:                                                                             |                                     |                                     |
| -Buildings (net of recovery ₹ 840,000; previous year ₹ 840,000)                                      | 4,155,143                           | 3,083,937                           |
| -Others                                                                                              | 886,252                             | 774,066                             |
|                                                                                                      | 5,041,395                           | 3,858,003                           |
| Insurance                                                                                            | 39,919                              | 45,674                              |
| Rates and taxes                                                                                      | 465,391                             | 406,884                             |
| Communication expenses (net of recovery ₹ 5,202 ; previous year ₹ 18,102)                            | 303,843                             | 324,605                             |
| Travelling and conveyance                                                                            | 1,157,507                           | 2,775,079                           |
| Printing and stationery                                                                              | 333,359                             | 227,185                             |
| Business promotion                                                                                   | 756,077                             | 1,147,224                           |
| Legal and Professional Fees                                                                          | 2,869,079                           | 3,695,184                           |
| Payment to auditors [See Note 2.18 (a) below]                                                        | 2,489,151                           | 1,825,850                           |
| Loan Written Off                                                                                     | -                                   | 4,500,000                           |
| Less: Provision held                                                                                 | -                                   | (4,500,000)                         |
|                                                                                                      | -                                   | -                                   |
| CSR Expenditure                                                                                      | 1,100,000                           | 2,100,000                           |
| Directors' fees                                                                                      | 2,940,354                           | 2,235,964                           |
| Membership fees                                                                                      | 1,101,286                           | 898,157                             |
| Security transaction charges                                                                         | 27,225                              | 17,043                              |
| Miscellaneous expenditure                                                                            | 1,234,446                           | 1,571,964                           |
| <b>Total</b>                                                                                         | <b>23,812,785</b>                   | <b>25,275,182</b>                   |

**2.18 (a) Payments to the auditors**

| Particulars                                 | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| To statutory auditors                       |                                     |                                     |
| For Audit                                   | 800,000                             | 575,000                             |
| For other services                          | 1,350,000                           | 1,050,000                           |
| For reimbursement of out of pocket expenses | 10,965                              | -                                   |
| Service tax                                 | 328,186                             | 200,850                             |
| <b>Total</b>                                | <b>2,489,151</b>                    | <b>1,825,850</b>                    |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.19 Contingent liabilities and commitments not provided for**

| Particulars                                                                                                                                                                                                                                                                                                                               |  | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------|--------------------------------|
| <b>(i) Contingent liabilities:</b>                                                                                                                                                                                                                                                                                                        |  |                                |                                |
| <b>(a) Claims against the Company not acknowledged as debt</b>                                                                                                                                                                                                                                                                            |  |                                |                                |
| - Disputed income-tax matters                                                                                                                                                                                                                                                                                                             |  | 7,038,768                      | 13,101,449                     |
| - Disputed wealth-tax matter in appeal                                                                                                                                                                                                                                                                                                    |  | 3,250,246                      | 3,250,246                      |
| - Disputed property tax levied by Mumbai Municipal Corporation (MMC) based on enhanced ratable value for the period 1st April 2007 to 31st March 2010 in respect of the Company's Investment Property in Atlanta Building, Nariman Point<br>* net of provision referred to in Note 2.33                                                   |  | 19,869,855*                    | 24,869,855                     |
| In respect of above items, outflow of resources would depend upon the outcome of the appeal / petition.                                                                                                                                                                                                                                   |  |                                |                                |
| <b>(b) Guarantees</b>                                                                                                                                                                                                                                                                                                                     |  |                                |                                |
| Guarantees given to banks on behalf of associate company.                                                                                                                                                                                                                                                                                 |  | 253,400,000                    | 253,400,000                    |
| The Company has received counter-guarantees from other parties amounting to ₹ 190,050,000 (previous year ₹ 190,050,000) against the aforesaid guarantees given by the Company to the banks. The outstanding amount of loan availed by the associate company as at 31st March 2016 is ₹ 104,543,021 (as at 31st March 2015 ₹ 142,563,425). |  |                                |                                |
| <b>(ii) Commitments:</b>                                                                                                                                                                                                                                                                                                                  |  |                                |                                |
| <b>(a) Other Commitments</b>                                                                                                                                                                                                                                                                                                              |  |                                |                                |
| Non-cancellable contractual commitments - See Note 2.25                                                                                                                                                                                                                                                                                   |  |                                |                                |

**2.20 Disclosure as per Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

| Particulars                                                                                                                                                    | Balance<br>as at             | Maximum balance outstanding<br>during the year ended |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------|
|                                                                                                                                                                | 31st March, 2016             | 31st March, 2016                                     |
|                                                                                                                                                                | ₹                            | ₹                                                    |
| Loans and advances (excluding interest accrued and due) in the nature of loans to subsidiaries, associates, firms/companies in which directors are interested: |                              |                                                      |
| <b>Subsidiaries:</b>                                                                                                                                           |                              |                                                      |
| -IITL Projects Limited                                                                                                                                         | 364,800,000<br>(145,000,000) | 364,800,000<br>(145,000,000)                         |
| -IIT Insurance Broking and Risk Management Private Limited                                                                                                     | 31,800,000<br>(9,500,000)    | 31,800,000<br>(9,500,000)                            |
| <b>Associate:</b>                                                                                                                                              |                              |                                                      |
| -World Resorts Limited                                                                                                                                         | 15,000,000<br>(30,000,000)   | 30,000,000<br>(30,000,000)                           |
| -IITL Nimbus The Express Park View                                                                                                                             | 231,987,365<br>(227,500,000) | 235,500,000<br>(227,500,000)                         |
| -IITL Nimbus The Palm Village                                                                                                                                  | 20,000,000<br>(138,369,727)  | 138,369,727<br>(172,500,000)                         |
| -IITL Nimbus The Hyde Park Noida                                                                                                                               | 152,794,964<br>(170,000,000) | 210,000,000<br>(190,000,000)                         |
| -MRG Hotels Limited                                                                                                                                            | 45,000,000<br>(30,000,000)   | 45,000,000<br>(30,000,000)                           |

Figures in brackets are for the previous year.

**2.21 Expenditure in foreign currency**

| Particulars                 | Year ended<br>31st March, 2016<br>₹ | Year ended<br>31st March, 2015<br>₹ |
|-----------------------------|-------------------------------------|-------------------------------------|
|                             |                                     |                                     |
|                             |                                     |                                     |
| Business promotion expenses | -                                   | 769,833                             |
| <b>Total</b>                | <b>-</b>                            | <b>769,833</b>                      |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.22 Employee Benefits**
**(a) Defined Contribution Plan**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹ 740,940 (previous year ₹ 673,457) for Provident Fund contributions in the Statement of Profit and Loss. (See 'Contribution to provident and other funds' in Note 2.16)

**(b) Defined Benefit Plan**

The Company offers its employees defined-benefit plan in the form of a Gratuity Scheme. Benefits under the defined benefits plan are typically based on years of service and the employees compensation covering all regular employees. Commitments are actuarially determined at year-end. The benefits vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

|       | Particulars                                                                                                                                                                                       | Gratuity (funded) |                  |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|
|       |                                                                                                                                                                                                   | 31st March, 2016  | 31st March, 2015 |
|       |                                                                                                                                                                                                   | ₹                 | ₹                |
| i     | Reconciliation of opening and closing balances of Defined Benefit Obligation                                                                                                                      |                   |                  |
|       | Present value of Defined Benefit Obligation as at the beginning of the year                                                                                                                       | 1,951,582         | 1,590,626        |
|       | Equitable Interest liability assumed by the company on transfer of an employee from group company                                                                                                 | -                 | 18,417           |
|       | Interest Cost                                                                                                                                                                                     | 156,127           | 128,723          |
|       | Current Service Cost                                                                                                                                                                              | 333,855           | 265,503          |
|       | Benefits paid                                                                                                                                                                                     | (116,285)         | (51,588)         |
|       | Net Actuarial (Gain) / Loss                                                                                                                                                                       | 139,505           | (99)             |
|       | Present value of Defined Benefit Obligation as at the end of the year                                                                                                                             | <b>2,464,784</b>  | <b>1,951,582</b> |
| ii    | Reconciliation of fair value of Plan Assets                                                                                                                                                       |                   |                  |
|       | Fair value of Plan Assets as at the beginning of the year                                                                                                                                         | 2,372,992         | 2,067,147        |
|       | Expected return on Plan Assets                                                                                                                                                                    | 194,974           | 185,593          |
|       | Employer's Contribution                                                                                                                                                                           | 139,626           | 171,840          |
|       | Benefits paid                                                                                                                                                                                     | (116,285)         | (51,588)         |
|       | Fair value of Plan Assets as at the end of the year                                                                                                                                               | <b>2,591,307</b>  | <b>2,372,992</b> |
|       | The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:                                                                                        |                   |                  |
|       | Bank Balance                                                                                                                                                                                      | 6.95%             | 7.44%            |
|       | Funds maintained with Life Insurance Corporation of India                                                                                                                                         | 93.05%            | 92.56%           |
|       | 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                                                                                                                                                       | (2,464,784)       | (1,951,582)      |
|       | Fair value of Plan Assets                                                                                                                                                                         | 2,591,307         | 2,372,992        |
|       | Net assets recognised in the Balance Sheet                                                                                                                                                        | <b>126,523</b>    | <b>421,410</b>   |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.22 Employee Benefits (contd.)**

| Particulars |                                                                                                                                                                                                                       | Gratuity (funded)                                  |                                                    |                     |                     |                     |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|---------------------|---------------------|---------------------|
|             |                                                                                                                                                                                                                       | 31st March, 2016                                   | 31st March, 2015                                   |                     |                     |                     |
|             |                                                                                                                                                                                                                       | ₹                                                  | ₹                                                  |                     |                     |                     |
| iv          | Components of Employer's Expenses                                                                                                                                                                                     |                                                    |                                                    |                     |                     |                     |
|             | Current Service Cost                                                                                                                                                                                                  | 333,855                                            | 265,503                                            |                     |                     |                     |
|             | Interest Cost                                                                                                                                                                                                         | 156,127                                            | 128,723                                            |                     |                     |                     |
|             | Expected return on Plan Assets                                                                                                                                                                                        | (194,974)                                          | (185,593)                                          |                     |                     |                     |
|             | Net Actuarial (Gain)/ Loss                                                                                                                                                                                            | 139,505                                            | (99)                                               |                     |                     |                     |
|             | Total expense recognised in Statement of Profit and Loss<br>(See 'Contribution to provident and other funds' in Note 2.16)                                                                                            | 434,513                                            | 208,534                                            |                     |                     |                     |
|             | Actual return on Plan Assets                                                                                                                                                                                          | 194,974                                            | 185,593                                            |                     |                     |                     |
|             | Estimated contribution in the next year                                                                                                                                                                               | 140,000                                            | 140,000                                            |                     |                     |                     |
| v           | Actuarial Assumptions                                                                                                                                                                                                 |                                                    |                                                    |                     |                     |                     |
|             | Mortality Table                                                                                                                                                                                                       | Indian Assured<br>Lives Mortality<br>(2006-08) Ult | Indian Assured<br>Lives Mortality<br>(2006-08) Ult |                     |                     |                     |
|             | Discount rate                                                                                                                                                                                                         | 8.00%                                              | 8.00%                                              |                     |                     |                     |
|             | Expected rate of return on Plan Assets                                                                                                                                                                                | 8.27%                                              | 8.98%                                              |                     |                     |                     |
|             | Salary escalation                                                                                                                                                                                                     | 6.00%                                              | 6.00%                                              |                     |                     |                     |
|             | Attrition                                                                                                                                                                                                             | 1.00%                                              | 1.00%                                              |                     |                     |                     |
| vi          | a. The estimate of rate of escalation in salary considered in actuarial valuation takes 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 the average long term rate of return expected on investments of the fund during the estimated term of the obligations.                                    |                                                    |                                                    |                     |                     |                     |
| vii         | Experience adjustment:                                                                                                                                                                                                |                                                    |                                                    |                     |                     |                     |
|             |                                                                                                                                                                                                                       | Gratuity (Funded)                                  |                                                    |                     |                     |                     |
|             |                                                                                                                                                                                                                       | 31st March,<br>2016                                | 31st March,<br>2015                                | 31st March,<br>2014 | 31st March,<br>2013 | 31st March,<br>2012 |
|             |                                                                                                                                                                                                                       | ₹                                                  | ₹                                                  | ₹                   | ₹                   | ₹                   |
|             | 1. Present Value of Defined Benefit Obligation                                                                                                                                                                        | 2,464,784                                          | 1,951,582                                          | 1,590,626           | 1,214,994           | 984,199             |
|             | 2. Fair Value of Plan Assets                                                                                                                                                                                          | 2,591,307                                          | 2,372,992                                          | 2,067,147           | 1,680,788           | 1,519,032           |
|             | 3. Funded Status [Surplus]                                                                                                                                                                                            | 126,523                                            | 421,410                                            | 476,521             | 465,794             | 534,833             |
|             | 4. Net Asset                                                                                                                                                                                                          | 126,523                                            | 421,410                                            | 476,521             | 465,794             | 534,833             |
|             | 5. Experience adjustment arising on:                                                                                                                                                                                  |                                                    |                                                    |                     |                     |                     |
|             | a. Plan Liabilities (Gain) / Loss                                                                                                                                                                                     | 139,505                                            | (99)                                               | 25,444              | (83,412)            | (59,644)            |
|             | b. Plan Assets (Gain) / Loss                                                                                                                                                                                          | 6,319                                              | 20,221                                             | 29,784              | 9,737               | 20,174              |
| viii        | The above information is as certified by the actuary and relied upon by the auditors.                                                                                                                                 |                                                    |                                                    |                     |                     |                     |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.23 Earnings per share**

| Particulars |                                                                                          | Year ended<br>31st March, 2016 | Year ended<br>31st March, 2015 |
|-------------|------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|             |                                                                                          | ₹                              | ₹                              |
| (a)         | Profit for the year                                                                      | 65,084,884                     | 31,321,458                     |
| (b)         | Less: Adjustment for dividend and dividend distribution tax on CCPS                      | -                              | 4,748                          |
| (c)         | Net amount available for equity shareholders                                             | 65,084,884                     | 31,316,710                     |
| (d)         | Weighted average number of equity shares for Basic and Diluted Earnings per share (Nos.) | 22,547,550                     | 22,543,605                     |
| (e)         | Basic and Diluted Earnings per share (Face value ₹ 10/-)                                 | 2.89                           | 1.39                           |

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

|                       |                                                           |
|-----------------------|-----------------------------------------------------------|
| Subsidiary companies: | IIT Investrust Limited                                    |
|                       | IITL Projects Limited                                     |
|                       | IIT Insurance Broking and Risk Management Private Limited |
|                       | IITL Marketing Management Private Limited                 |
|                       | IITL Corporate Insurance Services Private Limited         |
| Joint venture:        | Future Generali India Life Insurance Company Limited      |

**(b) Names of other related parties and nature of relationship:**

|                                                                     |                                                        |
|---------------------------------------------------------------------|--------------------------------------------------------|
| Key management personnel:                                           | Dr. B. Samal, Executive Chairman                       |
| Associate company:                                                  | World Resort Limited                                   |
| Entities over which the company can exercise significant influence: | IITL Nimbus The Express Park View - a partnership firm |
|                                                                     | IITL Nimbus The Palm Village - a partnership firm      |
|                                                                     | IITL Nimbus The Hyde Park Noida - a partnership firm   |
|                                                                     | Capital Infraproject Private Limited                   |
|                                                                     | MRG Hotels Private Limited                             |

**(ii) Transactions with related parties:**
**(a) Key management personnel:**

| Sr. No. | Nature of transactions            | ₹           |
|---------|-----------------------------------|-------------|
| (A)     | Remuneration paid to Dr. B. Samal | 4,713,676   |
|         |                                   | (4,524,000) |

Figures in brackets are for the previous year.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.24 Related party disclosures: (contd)**

(b) Other related parties:

| Sr. No.    | Nature of transactions                                     | Subsidiary companies               | Associate company               | Entities under Significant influence |
|------------|------------------------------------------------------------|------------------------------------|---------------------------------|--------------------------------------|
|            |                                                            | ₹                                  | ₹                               | ₹                                    |
| <b>(i)</b> | <b>Transactions during the</b>                             |                                    |                                 |                                      |
| <b>(A)</b> | <b>Loans given</b>                                         |                                    |                                 |                                      |
|            | -IITL Projects Limited                                     | <b>219,800,000</b><br>(45,000,000) |                                 |                                      |
|            | -IIT Insurance Broking and Risk Management Private Limited | <b>22,300,000</b><br>(9,500,000)   |                                 |                                      |
|            | -IITL Nimbus The Express Park View                         |                                    |                                 | <b>8,000,000</b><br>(-)              |
|            | -IITL Nimbus The Palm Village                              |                                    |                                 | <b>20,000,000</b><br>(-)             |
|            | -IITL Nimbus The Hyde Park Noida                           |                                    |                                 | <b>40,000,000</b><br>(40,000,000)    |
|            | -World Resorts Limited                                     |                                    | -                               |                                      |
|            | -MRG Hotels Private Limited                                |                                    | (10,000,000)                    | <b>15,000,000</b><br>(15,000,000)    |
| <b>(B)</b> | <b>Refund of loans given</b>                               |                                    |                                 |                                      |
|            | -IITL Nimbus The Express Park View                         |                                    |                                 | <b>3,512,635</b><br>(-)              |
|            | -IITL Nimbus The Palm Village                              |                                    |                                 | <b>138,369,727</b><br>(34,130,273)   |
|            | - IITL Nimbus the Hyde Park Noida                          |                                    |                                 | <b>57,205,036</b><br>(20,000,000)    |
|            | -World Resorts Limited                                     |                                    | <b>15,000,000</b><br>(-)        |                                      |
| <b>(C)</b> | <b>Interest income</b>                                     |                                    |                                 |                                      |
|            | - IITL Projects Limited                                    | <b>6,957,904</b><br>(16,487,673)   |                                 |                                      |
|            | -IIT Insurance Broking and Risk Management Private Limited | <b>3,113,285</b><br>(327,766)      |                                 |                                      |
|            | -IITL Nimbus The Express Park View                         |                                    |                                 | <b>36,289,979</b><br>(34,226,319)    |
|            | -IITL Nimbus The Palm Village                              |                                    |                                 | <b>5,816,071</b><br>(23,662,602)     |
|            | -IITL Nimbus The Hyde Park Noida                           |                                    |                                 | <b>25,308,350</b><br>(24,729,195)    |
|            | -World Resorts Limited                                     |                                    | <b>2,968,035</b><br>(3,384,071) |                                      |
|            | -MRG Hotels Limited                                        |                                    |                                 | <b>5,883,471</b><br>(4,093,375)      |
| <b>(D)</b> | <b>Investments in equity shares</b>                        |                                    |                                 |                                      |
|            | -IITL Corporate Insurance Services Private Limited         | -<br>(2,500,000)                   |                                 |                                      |
| <b>(E)</b> | <b>Sale of fixed asset - Vehicle</b>                       |                                    |                                 |                                      |
|            | -World Resorts Limited                                     |                                    | <b>440,000</b><br>(-)           |                                      |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.24 Related party disclosures: (contd)**

| Sr. No. | Nature of transactions                                                   | Subsidiary companies            | Associate company | Entities under Significant influence |
|---------|--------------------------------------------------------------------------|---------------------------------|-------------------|--------------------------------------|
|         |                                                                          | ₹                               | ₹                 | ₹                                    |
| (F)     | Rent Expenses<br>-IIT Investtrust Limited                                | <b>1,500,000</b><br>(1,500,000) |                   |                                      |
| (G)     | Brokerage paid on sale of quoted investments<br>-IIT Investtrust Limited | <b>68,775</b><br>(41,775)       |                   |                                      |

| <b>(ii) Balances at year-end</b> |                                                            |                                       |                                   |                                      |
|----------------------------------|------------------------------------------------------------|---------------------------------------|-----------------------------------|--------------------------------------|
| Sr. No.                          | Nature of transactions                                     | Subsidiary companies                  | Associate company                 | Entities under Significant influence |
|                                  |                                                            | ₹                                     | ₹                                 | ₹                                    |
| (A)                              | Loans outstanding as at year-end:                          |                                       |                                   |                                      |
|                                  | -IITL Projects Limited                                     | <b>364,800,000 *</b><br>(145,000,000) |                                   |                                      |
|                                  | -IIT Insurance Broking and Risk Management Private Limited | <b>31,800,000</b><br>(9,500,000)      |                                   |                                      |
|                                  | -IITL Nimbus The Express Park View                         |                                       |                                   | <b>231,987,365</b><br>(227,500,000)  |
|                                  | -IITL Nimbus The Palm Village                              |                                       |                                   | <b>20,000,000</b><br>(138,369,727)   |
|                                  | -IITL Nimbus The Hyde Park Noida                           |                                       |                                   | <b>152,794,964</b><br>(170,000,000)  |
|                                  | -World Resorts Limited                                     |                                       | <b>15,000,000</b><br>(30,000,000) |                                      |
|                                  | -MRG Hotels Limited                                        |                                       |                                   | <b>45,000,000</b><br>(30,000,000)    |
| (B)                              | Interest accrued and due as at year-end:                   |                                       |                                   |                                      |
|                                  | -IITL Projects Limited                                     | -<br>(4,575,205)                      |                                   |                                      |
|                                  | -IIT Insurance Broking and Risk Management Private Limited | <b>1,033,789</b><br>(251,509)         |                                   |                                      |
|                                  | -IITL Nimbus The Express Park View                         |                                       |                                   | <b>16,035,194</b><br>(7,564,389)     |
|                                  | -IITL Nimbus The Palm Village                              |                                       |                                   | <b>484,672</b><br>(4,599,876)        |
|                                  | -IITL Nimbus The Hyde Park Noida                           |                                       |                                   | <b>5,416,303</b><br>(5,903,009)      |
|                                  | -World Resorts Limited                                     |                                       | -                                 |                                      |
|                                  | -MRG Hotels Limited                                        |                                       | (1,016,964)                       | -<br>(994,488)                       |

\* Provision for sub-standard assets of ₹ 36,480,000 is made against this loan and interest accrued of ₹ 17,393,198 was reversed on the date this loan became Non-Performing Asset on account of restructuring.

Above disclosures exclude related party transactions in the nature of reimbursements.

Figures in brackets are for the previous year.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.25 Details of leasing arrangements**

The Company has taken an office premise and a residential premise on operating lease. There are no restrictions imposed by the lease arrangement. There are no sub-leases. The lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 2,942,700 (previous year: ₹ 2,942,700) [net of recoveries ₹ 840,000 (previous year: ₹ 840,000)].

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

| Particulars                                       | Year ended<br>31st March, 2016 | Year ended<br>31st March, 2015 |
|---------------------------------------------------|--------------------------------|--------------------------------|
|                                                   | ₹                              | ₹                              |
| Not later than one year                           | 2,282,700                      | 760,900                        |
| Later than one year but not later than five years | 3,043,600                      | -                              |
| Later than five years                             | -                              | -                              |
| <b>Total</b>                                      | <b>5,326,300</b>               | <b>760,900</b>                 |

**2.26 Interest in joint ventures**

The Company has interests in the following joint ventures:

| Sr. No. | Name of joint venture and country of incorporation                     | % of interest |
|---------|------------------------------------------------------------------------|---------------|
| 1       | Future Generali India Life Insurance Company Limited (FGILICL) (India) | 22.50         |

Financial interest of the company in jointly controlled entities is as under:

| Sr. No. | Particulars            | Amount of interest based on the audited accounts |                              |
|---------|------------------------|--------------------------------------------------|------------------------------|
|         |                        | Year ended<br>31 March, 2016                     | Year ended<br>31 March, 2015 |
|         |                        | ₹                                                | ₹                            |
| 1       | Assets                 | 6,386,844,242                                    | 6,343,978,253                |
| 2       | Liabilities            | 5,923,103,307                                    | 5,784,713,097                |
| 3       | Income                 | 1,810,719,102                                    | 2,299,166,558                |
| 4       | Expenditure            | 1,891,003,509                                    | 2,296,943,332                |
| 5       | Contingent liabilities | 1,832,850                                        | 1,520,550                    |
| 6       | Capital commitments    | 6,279,278                                        | 188,775                      |

**2.27 Disclosure under paragraph 11 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015**
**2.27 (a) Capital to Risk Assets Ratio ("CRAR")**

| Items                      | As at<br>31-Mar-16 | As at<br>31-Mar-15 |
|----------------------------|--------------------|--------------------|
| CRAR (%)                   | 84.60              | 84.32              |
| CRAR - Tier I Capital (%)  | 84.48              | 84.18              |
| CRAR - Tier II Capital (%) | 0.12               | 0.14               |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**
**2.27 (b) Exposure to Real Estate Sector**

| Category                                                                                                                                                                                                                                                                                                                                                                       | As at<br>31-Mar-16 | As at<br>31-Mar-15 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| a) Direct Exposure                                                                                                                                                                                                                                                                                                                                                             |                    |                    |
| i) Residential Mortgages -<br>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:                                                                                                                                                                                                                        | Nil                | Nil                |
| - Individual housing loans up to ₹ 15 lakh                                                                                                                                                                                                                                                                                                                                     | Nil                | Nil                |
| - Individual housing loans above Rs.15 lakh                                                                                                                                                                                                                                                                                                                                    | Nil                | Nil                |
| ii) Commercial Real Estate -<br>Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial buildings, multi-tenanted commercial premises, multi-family residential premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits. | Nil                | Nil                |
| iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -                                                                                                                                                                                                                                                                                         |                    |                    |
| 1. Residential                                                                                                                                                                                                                                                                                                                                                                 | Nil                | Nil                |
| 2. Commercial Real Estate                                                                                                                                                                                                                                                                                                                                                      | Nil                | Nil                |
| b) Indirect Exposure<br>Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)                                                                                                                                                                                                                                            | Nil                | Nil                |

Note: The Company has given unsecured short term loans to its subsidiary and joint ventures of that subsidiary engaged in real estate business of construction of residential complexes which are not covered by the above mentioned categories. The outstanding balance of such loans is ₹ 769,582,329 (Previous year ₹ 680,869,727). The Company also has long-term equity investments in the said subsidiary of ₹ 136,123,073 (Previous year ₹ 136,123,073).

**2.27 (c) Maturity pattern of certain items of Assets and Liabilities (Based on RBI Guidelines at Book values)**

| Particulars                     | Liabilities             |                     | Assets             |                      |
|---------------------------------|-------------------------|---------------------|--------------------|----------------------|
|                                 | Borrowing<br>from banks | Market<br>Borrowing | Advances           | Investments          |
| 1 day to 30/31 days (One month) | -                       | -                   | -                  | -                    |
| Over one month to 2 months      | -                       | -                   | -                  | -                    |
| Over 2 months upto 3 months     | -                       | -                   | -                  | -                    |
| Over 3 months to 6 months       | -                       | -                   | -                  | -                    |
| Over 6 months to 1 year         | -                       | 833,466             | 476,582,329        | -                    |
| Over 1 year to 3 years          | -                       | 297,929             | 348,320,000        | 250,000,000          |
| Over 3 years to 5 years         | -                       | -                   | -                  | 350,000,000          |
| Over 5 years                    | -                       | -                   | -                  | 3,839,154,628        |
| <b>Total</b>                    | -                       | <b>1,131,395</b>    | <b>824,902,329</b> | <b>4,439,154,628</b> |

**Note:**

The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration structural liquidity guidelines for assets-liabilities management (ALM) system in non-banking financial companies issued by RBI, best practices and best estimate of the Assets-Liability Committee with regard to the timing of various cash flows, which has been relied upon by the auditors.

**2.28 Disclosure of Restructured Accounts**

(₹ in lacs)

| Sl. No. | Type of Restructuring                                                                                                                                                                                                        | Under CDR Mechanism |              |          |      |       | Under SME Debt Restructuring Mechanism |              |          |      |       | Others   |              |          |      |       | Total    |              |          |      |       |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------|----------|------|-------|----------------------------------------|--------------|----------|------|-------|----------|--------------|----------|------|-------|----------|--------------|----------|------|-------|
|         |                                                                                                                                                                                                                              | Standard            | Sub-Standard | Doubtful | Loss | Total | Standard                               | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total |
|         | <b>Asset Classification Details</b>                                                                                                                                                                                          |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
| 1       | Restructured Accounts as on April 1, 2015                                                                                                                                                                                    | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
| 2       | Fresh restructuring during the year                                                                                                                                                                                          | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
|         | No. of borrowers                                                                                                                                                                                                             |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
|         | Amount outstanding                                                                                                                                                                                                           |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
|         | Provision thereon                                                                                                                                                                                                            |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
| 3       | Upgradations to restructured standard category during the FY                                                                                                                                                                 | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
| 4       | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
| 5       | Downgradations of restructured accounts during the FY                                                                                                                                                                        | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
| 6       | Write-offs of restructured accounts during the FY                                                                                                                                                                            | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
| 7       | Restructured Accounts as on March 31, 2016                                                                                                                                                                                   | -                   | -            | -        | -    | -     | -                                      | -            | -        | -    | -     | -        | -            | -        | -    | -     | -        | -            | -        | -    | -     |
|         | No. of borrowers                                                                                                                                                                                                             |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
|         | Amount outstanding                                                                                                                                                                                                           |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |
|         | Provision thereon                                                                                                                                                                                                            |                     |              |          |      |       |                                        |              |          |      |       |          |              |          |      |       |          |              |          |      |       |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**2.29** The Company is engaged in Investment activities and in Insurance business undertaken through the joint venture company FGILICL. Hence there are two reportable business segments as per Accounting Standard-17 Segment Reporting. The Company operates only in one geographical segment i.e. India. The segment information has been provided in the consolidated financial statements.

**2.30** The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (now known as Future Retail Limited) to acquire 22.5% of its equity stake in Future Generali India Life Insurance Company Ltd (FGILICL). Pursuant to approval received from CCI, RBI & IRDA the transaction was consummated on 17th December 2013 for a total consideration of ₹ 340 crores. FGILICL became a joint venture of the Company.

The management views the investment in positive light as insurance industry plays a crucial role in the growth and development of the overall economy. There is a huge potential to be tapped across India for life insurance. Life Insurance Industry has a long gestation period and the Company views this as a long term investment. Having regard to the projections and future business plan provided by FGILICL to the Company and based on management's assessment of the same, the management of the Company is of the view that, although the net-worth of FGILICL as at 31st March 2016 has substantially eroded, there is no diminution other than temporary in the value of investment of the Company in FGILICL as at 31st March 2016.

**2.31** Pursuant to the enactment of the 2013 Act, the Company has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, in accordance with the provisions of Schedule II to the 2013 Act. The carrying amount of the assets as on that date has been depreciated over the remaining useful life of the assets as per Schedule II of the 2013 Act. Consequently, depreciation for the previous year was higher by ₹ 431,067. Further, an amount of ₹ 181,804 (net of deferred tax of ₹ 93,615) was recognized in the Surplus in the statement of profit and loss, where the remaining useful life of such assets was Nil as at 1st April, 2014 in line with the provisions of Schedule II to the 2013 Act.

**2.32** There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). The identification of vendors as a "Supplier" under the Act has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

**2.33** The amount of ₹ 19,869,855 disclosed as Contingent Liability (See note 2.19(i)(a)) is towards the disputed property tax levied by MMC based on enhanced ratable value for the period 1st April 2007 to 31st March 2010 in respect of the Company's Investment Property in Atlanta Building, Nariman Point.

During the financial year 2015-16, the Company sold four units of the said property. Upon sale of said units the Company was required to deposit ₹ 10,028,864 with Atlanta Premises Co-operative Society Limited (the society) towards part of the disputed property tax related to units sold. The said amount of ₹ 10,028,864 has been placed by the society in Fixed Deposits with Bank. The disputed property tax issue is still subjudice and the order is awaited from the Mumbai High court. Pending the outcome of the matter, out of abundant caution, the Company has made a provision of ₹ 5,000,000 in respect of the units sold.

However, the total amount of ₹ 24,869,855 is fully recoverable from the ex-Licensee as per the Leave and License Agreements entered by the Company with them from time to time.

The movement in the above mentioned provision is detailed below as per Accounting Standard-29 Provisions, Contingent Liabilities and Contingent Assets:

| Particulars          | As at<br>31-Mar-16 | As at<br>31-Mar-15 |
|----------------------|--------------------|--------------------|
| As at 1st April      | -                  | -                  |
| Additions            | 5,000,000          | -                  |
| Utilisation/Reversal | -                  | -                  |
| As at 31st March     | 5,000,000          | -                  |

**2.34** The details of Corporate Social Responsibility (CSR) expenditure are as below:

(a) The CSR obligation for the year as computed by the Company and relied upon by the auditors is ₹ 2,450,000 (previous year ₹ 2,100,000)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

(b) Amount spent during the year on:

₹

| Particulars                               | Paid        | Yet to be paid | Total       |
|-------------------------------------------|-------------|----------------|-------------|
| (i) Construction/acquisition of any asset | -           | -              | -           |
|                                           | (-)         | (-)            | (-)         |
| (ii) On purposes other than (i) above     | 1,100,000   | -              | 1,100,000   |
|                                           | (2,100,000) | (-)            | (2,100,000) |

Figures in brackets are for the previous year.

**2.35** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

**For and on behalf of the Board of Directors**

**DR. B. SAMAL**  
Executive Chairman

**BIPIN AGARWAL**  
Director

**CUMI BANERJEE**  
CEO & Company Secretary

**KAUSHIK DESAI**  
Chief Financial Officer

Mumbai: 26th May, 2016





# Industrial Investment Trust Limited

Annual Report 2015-2016

**Schedule to the Balance Sheet as at 31st March, 2016 of a non-deposit taking non-banking financial Company**

Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding)

Companies Prudential Norms (Reserve Bank) Directions, 2015

| Particulars |                                                                                                                                                    | 31-03-2016                |                | 31-03-2015                |                |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|---------------------------|----------------|
|             |                                                                                                                                                    | Amount outstanding        | Amount overdue | Amount outstanding        | Amount overdue |
| (1)         | <b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>                                                 |                           |                |                           |                |
|             | (a) Debentures : Secured                                                                                                                           | -                         | -              | -                         | -              |
|             | : Unsecured<br>(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                                                                                                            | -                         | -              | -                         | -              |
|             | <b>Assets side :</b>                                                                                                                               | <b>Amount outstanding</b> |                | <b>Amount outstanding</b> |                |
| (2)         | <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :(net of provisions for doubtful loans)</b> |                           |                |                           |                |
|             | (a) Secured                                                                                                                                        |                           | -              |                           | -              |
|             | (b) Unsecured                                                                                                                                      | 870,155,595               |                | 750,633,173               |                |
|             |                                                                                                                                                    | <b>870,155,595</b>        |                | <b>750,633,173</b>        |                |
| (3)         | <b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>                                                |                           |                |                           |                |
|             | (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                                                                                                                     |                           | -              |                           | -              |
| (4)         | <b>Break-up of Investments :(net of provisions for diminution)</b>                                                                                 |                           |                |                           |                |
|             | Current Investments :                                                                                                                              |                           |                |                           |                |
|             | 1. Quoted :                                                                                                                                        |                           |                |                           |                |
|             | (i) Shares : (a) Equity                                                                                                                            |                           | -              |                           | -              |
|             | (b) Preference                                                                                                                                     |                           | -              |                           | -              |
|             | (ii) Debentures and Bonds                                                                                                                          |                           | -              |                           | -              |
|             | (iii) Units of Mutual funds                                                                                                                        |                           | -              |                           | -              |
|             | (iv) Government Securities                                                                                                                         |                           | -              |                           | -              |
|             | (v) Others (please specify)                                                                                                                        |                           | -              |                           | -              |
|             | 2. Unquoted :                                                                                                                                      |                           |                |                           |                |
|             | (i) Shares : (a) Equity                                                                                                                            |                           | -              |                           | -              |
|             | (b) Preference                                                                                                                                     |                           | -              |                           | -              |
|             | (ii) Debentures and Bonds                                                                                                                          |                           | -              |                           | -              |
|             | (iii) Units of Mutual funds                                                                                                                        |                           | -              |                           | -              |
|             | (iv) Government Securities                                                                                                                         |                           | -              |                           | -              |
|             | (v) Others (please specify)                                                                                                                        |                           | -              |                           | -              |

| <b>(4) Break-up of Investments : (net of provisions for diminution) (contd.)</b> |                      |                      |  |
|----------------------------------------------------------------------------------|----------------------|----------------------|--|
| Long Term Investments :                                                          |                      |                      |  |
| 1. Quoted :                                                                      |                      |                      |  |
| (i) Shares : (a) Equity                                                          | 138,962,767          | 188,296,640          |  |
| (b) Preference                                                                   | -                    | -                    |  |
| (ii) Debentures and Bonds                                                        | -                    | -                    |  |
| (iii) Units of Mutual funds                                                      | -                    | -                    |  |
| (iv) Government Securities                                                       | -                    | -                    |  |
| (v) Others (please specify)                                                      | -                    | -                    |  |
| 2. Unquoted :                                                                    |                      |                      |  |
| (i) Shares : (a) Equity                                                          | 3,700,091,250        | 3,701,591,250        |  |
| (b) Preference                                                                   | 600,000,000          | 600,000,000          |  |
| (ii) Debentures and Bonds                                                        | -                    | -                    |  |
| (iii) Units of Mutual funds                                                      | -                    | -                    |  |
| (iv) Government Securities                                                       | -                    | -                    |  |
| (v) Others - Immovable property                                                  | 100,611              | 171,886              |  |
| (vi) Others-Share Application Money                                              | -                    | -                    |  |
|                                                                                  | <b>4,439,154,628</b> | <b>4,490,059,776</b> |  |

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above: (net of provisions for doubtful loans)**

| Category                        | 31-03-2016               |             |             | 31-03-2015               |             |             |
|---------------------------------|--------------------------|-------------|-------------|--------------------------|-------------|-------------|
|                                 | Amount net of provisions |             |             | Amount net of provisions |             |             |
|                                 | Secured                  | Unsecured   | Total       | Secured                  | Unsecured   | Total       |
| 1. Related Parties              |                          |             |             |                          |             |             |
| (a) Subsidiaries                | -                        | 360,373,266 | 360,373,266 | -                        | 154,763,445 | 154,763,445 |
| (b) Companies in the same group | -                        | 449,782,329 | 449,782,329 | -                        | 535,869,728 | 535,869,728 |
| (c) Other related parties       | -                        | 60,000,000  | 60,000,000  | -                        | 60,000,000  | 60,000,000  |
| 2. Other than related parties   | -                        | -           | -           | -                        | -           | -           |
| Total                           | -                        | 870,155,595 | 870,155,595 | -                        | 750,633,173 | 750,633,173 |

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

| Category                        | 31-03-2016                                   |                                | 31-03-2015                                   |                                |
|---------------------------------|----------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
|                                 | 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                | 587,999,022                                  | 631,033,073                    | 569,807,114                                  | 632,533,073                    |
| (b) Companies in the same group | 3,805,181,250                                | 3,805,181,250                  | 3,805,181,250                                | 3,805,181,250                  |
| (c) Other related parties       | -                                            | -                              | -                                            | -                              |
| 2. Other than related parties   | 1,477,151                                    | 2,940,305                      | 32,799,161                                   | 52,345,453                     |
| Total                           | 4,394,657,423                                | 4,439,154,628                  | 4,407,787,525                                | 4,490,059,776                  |

**(7) Other information**

| Particulars                                   | 31-03-2016 Amount | 31-03-2015 Amount |
|-----------------------------------------------|-------------------|-------------------|
| (i) Gross Non-performing Assets               |                   |                   |
| (a) Related parties                           | -                 | -                 |
| (b) Other than related parties                | -                 | -                 |
| (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**  
Executive Chairman

**BIPIN AGARWAL**  
Director

**CUMI A. BANERJEE**  
CEO & Company Secretary

**KAUSHIK DESAI**  
Chief Financial Officer

Mumbai: 26th May, 2016

# **INDUSTRIAL INVESTMENT TRUST LIMITED**

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **INDUSTRIAL INVESTMENT TRUST LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding its assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 2.35 of the consolidated financial statements. As stated in the Note the net worth of Future Generali India Life Insurance Company Limited ("FGILICL"), a Joint Venture of the Group, as at 31st March 2016 has substantially eroded. However, the Management of the Holding Company is of the view, for the reasons stated in the Note, that there is no impairment as at 31st March, 2016 in the value of Goodwill on consolidation arising on such acquisition.

Our opinion is not modified in respect of this matter.

### **Other Matters**

- a) We did not audit the financial statements of four subsidiaries and five jointly controlled entities, whose financial statements reflect total assets (net) of Rs. 10,817,857,711 as at 31st March, 2016, total revenues of Rs. 3,118,257,577 and net cash flows amounting to Rs. 15,397,484 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 3,764,561 for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have

not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

- b) In the case of Future Generali India Life Insurance Company Limited (FGILICL), a Joint Venture Company, their auditors in their report under Other Matter paragraph stated that the actuarial valuation of liabilities of life policies is the responsibility of the FGILICL's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at 31st March, 2016 has been duly certified by the appointed actuary. The appointed actuary has also certified that in his opinion the assumption for such valuation are in accordance with the guidelines and norms, issued by the IRDA and Institute of Actuaries of India (formerly known as Actuarial Society of India) in concurrence with the IRDA. FGILICL auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the financial statements of FGILICL.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act and in case of a jointly controlled entity which is in insurance business, also with the accounting principles as prescribed in the IRDA Regulations and order/directions issued by the IRDAI in this regard.
  - e) The matter described under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

- f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies, incorporated in India, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of, the Holding company's, its subsidiary companies', associate companies' and jointly controlled companies', incorporated in India, internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and the other auditors:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
  - ii. In case of jointly controlled companies provision has been made, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The jointly controlled companies did not have any outstanding long term derivative contracts. The Group and associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and a jointly controlled company incorporated in India. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate companies and another jointly controlled company incorporated in India.

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

Uday M. Neogi  
Partner

MUMBAI: 26th May, 2016

(Membership No. 30235)

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Industrial Investment Trust Limited on the consolidated financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Industrial Investment Trust Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

- a) Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, two associate companies and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
- b) In the case of Future Generali India Life Insurance Company Limited (FGILICL), a Joint Venture Company, the auditors in their report under Other Matter paragraph stated that the actuarial valuation of liabilities of life policies is required to be certified by the Appointed Actuary which has been relied upon by the auditors' of FGILICL. Accordingly, FGILICL auditors' opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the said actuarial valuation.

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

**Uday M. Neogi**  
Partner  
(Membership No.30235)

MUMBAI, 26th May, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

| Particulars                                                                               | Note No. | As at 31st March, 2016<br>₹ | As at 31st March, 2015<br>₹ |
|-------------------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| <b>EQUITY AND LIABILITIES</b>                                                             |          |                             |                             |
| <b>Shareholders' funds</b>                                                                |          |                             |                             |
| Share capital                                                                             | 2.1      | 225,475,500                 | 225,475,500                 |
| Reserves and surplus                                                                      | 2.2      | 4,902,898,468               | 4,993,967,251               |
|                                                                                           |          | <b>5,128,373,968</b>        | <b>5,219,442,751</b>        |
| <b>Minority Interest</b>                                                                  |          | <b>13,992,512</b>           | <b>38,208,212</b>           |
| <b>Non-current liabilities</b>                                                            |          |                             |                             |
| Long-Term borrowings                                                                      | 2.3      | 148,144,737                 | 30,306,395                  |
| Other long-term liabilities                                                               |          |                             |                             |
| -Policy Liabilities (Policyholder's Fund)                                                 |          | 5,533,869,472               | 5,475,720,249               |
| -Other                                                                                    | 2.4      | 1,048,488,314               | 1,045,177,067               |
| Long-term provisions                                                                      | 2.5      | 16,573,985                  | 8,034,937                   |
|                                                                                           |          | <b>6,747,076,508</b>        | <b>6,559,238,648</b>        |
| <b>Current liabilities</b>                                                                |          |                             |                             |
| Short term borrowings                                                                     | 2.6      | 433,498,599                 | 263,000,000                 |
| Trade payables                                                                            |          |                             |                             |
| a) Total outstanding dues of micro enterprises and small enterprises; and                 | 2.37     | -                           | -                           |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.7      | 1,174,575,097               | 785,232,444                 |
| Other current liabilities                                                                 |          |                             |                             |
| -Policy Liabilities (Policyholder's Fund)                                                 |          | 167,268,515                 | 144,447,334                 |
| -Other                                                                                    | 2.8      | 1,083,744,630               | 1,469,286,112               |
| Short-term provisions                                                                     | 2.9      | 8,974,053                   | 39,153,494                  |
|                                                                                           |          | <b>2,868,060,894</b>        | <b>2,701,119,384</b>        |
| <b>TOTAL</b>                                                                              |          | <b>14,757,503,882</b>       | <b>14,518,008,995</b>       |
| <b>ASSETS</b>                                                                             |          |                             |                             |
| <b>Non-current assets</b>                                                                 |          |                             |                             |
| Fixed assets                                                                              | 2.10     |                             |                             |
| (i) Tangible assets                                                                       |          | 122,834,923                 | 105,298,181                 |
| (ii) Intangible assets                                                                    |          | 13,153,186                  | 7,419,442                   |
| (iii) Capital work-in-progress                                                            |          | 2,182,785                   | 232,752                     |
| Goodwill on consolidation (See Note 2.35)                                                 |          | 2,849,438,501               | 2,849,438,501               |
| Non-current investments                                                                   | 2.11     | 6,196,611,388               | 6,472,210,411               |
| Deferred tax assets (net)                                                                 | 2.12     | 17,731,336                  | 5,033,274                   |
| Long-term loans and advances                                                              | 2.13     | 122,904,900                 | 116,086,043                 |
| Other non-current assets                                                                  | 2.14     | 17,888,764                  | 18,111,263                  |
|                                                                                           |          | <b>9,342,745,783</b>        | <b>9,573,829,867</b>        |
| <b>Current assets</b>                                                                     |          |                             |                             |
| Current investments                                                                       | 2.15     | 425,850,474                 | 227,026,638                 |
| Inventories                                                                               | 2.16     | 3,547,107,539               | 3,190,812,495               |
| Trade receivables                                                                         | 2.17     | 330,249,197                 | 432,776,453                 |
| Cash and cash equivalents                                                                 | 2.18     | 255,577,017                 | 298,747,180                 |
| Short-term loans and advances                                                             | 2.19     | 520,167,412                 | 594,581,496                 |
| Other current assets                                                                      | 2.20     | 335,806,460                 | 200,234,866                 |
|                                                                                           |          | <b>5,414,758,099</b>        | <b>4,944,179,128</b>        |
| <b>TOTAL</b>                                                                              |          | <b>14,757,503,882</b>       | <b>14,518,008,995</b>       |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached. For and on behalf of the Board of Directors

|                                                                  |                                                 |                                                 |
|------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>For DELOITTE HASKINS &amp; SELLS</b><br>Chartered Accountants | <b>Dr. B. SAMAL</b><br>Chairman                 | <b>BIPIN AGARWAL</b><br>Director                |
| <b>UDAY M. NEOGI</b><br>Partner                                  | <b>CUMI BANERJEE</b><br>CEO & Company Secretary | <b>KAUSHIK DESAI</b><br>Chief Financial Officer |

Mumbai: 26th May, 2016

Mumbai: 26th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars                                                                                                                             | Note No. | For the Year ended 31st March, 2016<br>₹ | For the Year ended 31st March, 2015<br>₹ |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------|------------------------------------------|
| Revenue from operations                                                                                                                 | 2.21     | 1,451,156,082                            | 1,067,072,716                            |
| Premium from Insurance Business                                                                                                         |          | 1,280,888,509                            | 1,322,611,405                            |
| Other Operating income from Insurance Business                                                                                          |          | 54,522,822                               | 84,454,673                               |
| Other Income from Insurance Business                                                                                                    |          | 475,307,771                              | 892,100,480                              |
| Other income                                                                                                                            | 2.22     | 17,509,178                               | 31,254,047                               |
| <b>Total Revenue</b>                                                                                                                    |          | <b>3,279,384,362</b>                     | <b>3,397,493,321</b>                     |
| Cost of sales                                                                                                                           | 2.23     | 1,253,854,252                            | 867,274,897                              |
| Employee benefits expense                                                                                                               | 2.24     | 43,445,469                               | 44,006,191                               |
| Finance costs                                                                                                                           | 2.25     | 63,830,946                               | 5,767,528                                |
| Benefits paid pertaining to Insurance Business (Net)                                                                                    |          | 956,716,820                              | 1,005,184,451                            |
| Commission and Operating expenses pertaining to Insurance Business                                                                      |          | 380,292,058                              | 318,704,079                              |
| Other expenses pertaining to Insurance Business                                                                                         |          | 552,238,464                              | 969,565,905                              |
| Depreciation and amortisation expense                                                                                                   |          |                                          |                                          |
| - on investment properties                                                                                                              |          | 5,241                                    | 8,953                                    |
| - on fixed assets                                                                                                                       | 2.10     | 6,882,913                                | 9,266,601                                |
| Other expenses                                                                                                                          | 2.26     | 86,441,621                               | 78,112,950                               |
| Provision for diminution in value of long-term investments                                                                              |          | 4,821,715                                | 27,904,405                               |
| Contingent provision against standard assets                                                                                            |          | -                                        | 223,000                                  |
| Net loss on sale of long-term investments (after adjusting provision for diminution in value ₹ 60,180,115 (Previous year ₹ 14,893,656)) |          | 17,078,691                               | 3,862,969                                |
| Provision for contingency                                                                                                               |          | 5,000,000                                | -                                        |
| <b>Total expenses</b>                                                                                                                   |          | <b>3,370,608,190</b>                     | <b>3,329,881,929</b>                     |
| <b>Profit/(Loss) before tax</b>                                                                                                         |          | <b>(91,223,828)</b>                      | <b>67,611,392</b>                        |
| Tax expense/(benefit):                                                                                                                  |          |                                          |                                          |
| - Current tax                                                                                                                           |          | 33,011,759                               | 36,419,795                               |
| - MAT credit                                                                                                                            |          | (16,000,000)                             | (16,184,000)                             |
| - Short provision for tax relating to prior years                                                                                       |          | 727,235                                  | 1,983,811                                |
| - Net current tax expense                                                                                                               |          | 17,738,994                               | 22,219,606                               |
| - Deferred tax                                                                                                                          |          | (12,682,700)                             | 1,657,481                                |
| Net tax expense                                                                                                                         |          | <b>5,056,294</b>                         | <b>23,877,087</b>                        |
| <b>Profit/(Loss) after tax before share of profit/(loss) of associates and minority interest</b>                                        |          | <b>(96,280,122)</b>                      | <b>43,734,305</b>                        |
| Share in loss of associates (net)                                                                                                       |          | (3,764,561)                              | (16,887,204)                             |
| <b>Profit/(Loss) after tax before share of profit/(loss) attributable to minority interest</b>                                          |          | <b>(100,044,683)</b>                     | <b>26,847,101</b>                        |
| Share of profit/(loss) attributable to Minority interest                                                                                |          | (24,215,700)                             | 11,467,155                               |
| <b>Profit/(Loss) for the year attributable to shareholders of the Company</b>                                                           |          | <b>(75,828,983)</b>                      | <b>15,379,946</b>                        |
| Earnings per equity share:                                                                                                              | 2.30     |                                          |                                          |
| Basic and Diluted                                                                                                                       |          | (3.36)                                   | 0.68                                     |
| Nominal Value per equity share (₹)                                                                                                      |          | 10.00                                    | 10.00                                    |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached. For and on behalf of the Board of Directors

|                                                                  |                                                 |                                                 |
|------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>For DELOITTE HASKINS &amp; SELLS</b><br>Chartered Accountants | <b>Dr. B. SAMAL</b><br>Chairman                 | <b>BIPIN AGARWAL</b><br>Director                |
| <b>UDAY M. NEOGI</b><br>Partner                                  | <b>CUMI BANERJEE</b><br>CEO & Company Secretary | <b>KAUSHIK DESAI</b><br>Chief Financial Officer |

Mumbai: 26th May, 2016

Mumbai: 26th May, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars                                                                                                | For the<br>Year ended<br>31st March,<br>2016<br>₹ | For the<br>Year ended<br>31st March,<br>2015<br>₹ | Particulars                                                              | For the<br>Year ended<br>31st March,<br>2016<br>₹ | For the<br>Year ended<br>31st March,<br>2015<br>₹ |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                                              |                                                   |                                                   | <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                                                   |                                                   |
| <b>Net (loss) / profit before tax</b>                                                                      | <b>(91,223,828)</b>                               | <b>67,611,392</b>                                 | Bank balances not considered as cash and cash equivalents                | 21,320,777                                        | 159,964,433                                       |
| Adjustments for:                                                                                           |                                                   |                                                   | Purchase of non current investments                                      | (283,755,940)                                     | (2,604,294,555)                                   |
| Depreciation on fixed assets *                                                                             | 26,492,731                                        | 15,115,601                                        | Purchase of current investments                                          | (349,778,870)                                     | 1,620,487,905                                     |
| Depreciation on investment on immovable property                                                           | 5,241                                             | 8,953                                             | Proceeds from Sale of non current investments                            | 446,097,869                                       | 45,606,907                                        |
| Interest income **                                                                                         | (58,692,190)                                      | (85,340,073)                                      | Proceeds from Sale of current investments                                | 119,604,966                                       | 604,717,414                                       |
| Provision for bad debts                                                                                    | -                                                 | 975,482                                           | Interest received (See Note 2 below)                                     | 16,366,951                                        | 22,564,658                                        |
| Bad debt written off                                                                                       | 467,206                                           | -                                                 | Dividend income                                                          | 16,376,745                                        | 17,555,619                                        |
| Profit on sale of investment properties (net)                                                              | (80,329,478)                                      | -                                                 | Purchase of fixed assets                                                 | (52,551,795)                                      | (13,360,133)                                      |
| Finance costs                                                                                              | 63,830,946                                        | 5,767,528                                         | Proceeds from sale of fixed assets                                       | 440,000                                           | 620,886                                           |
| Dividend income **                                                                                         | (16,376,745)                                      | (17,555,619)                                      | <b>Net cash generated from / (used in) investing activities (B)</b>      | <b>(65,879,297)</b>                               | <b>(146,136,866)</b>                              |
| Amounts no longer payable written back                                                                     | (5,997,983)                                       | (1,927,842)                                       | <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                                                   |                                                   |
| Provision for diminution in value of long term investments                                                 | 4,821,715                                         | 27,904,405                                        | Proceeds from long term borrowings                                       | 168,667,808                                       | 53,120,074                                        |
| Contingent provision against standard assets                                                               | -                                                 | 223,000                                           | Repayment of long term borrowings                                        | (10,746,065)                                      | (76,234,612)                                      |
| Reversal of contingent provision against standard assets                                                   | (379,639)                                         | -                                                 | Proceeds from short term borrowings (net)                                | 170,498,599                                       | 115,322,500                                       |
| Provision no longer required for diminution in value of long term investments                              | (58,771)                                          | -                                                 | Finance cost (See Note 2 below)                                          | (106,256,246)                                     | (91,868,639)                                      |
| (Profit) / loss on sale of fixed asset                                                                     | (7,306)                                           | 671,907                                           | Dividend paid on equity and preference shares                            | (22,858,735)                                      | (38,462,972)                                      |
| Net loss / (profit) on sale of investments                                                                 | 93,276,330                                        | (385,193,113)                                     | Tax on dividend paid                                                     | (4,590,230)                                       | (6,536,782)                                       |
| Provision for contingency                                                                                  | 5,000,000                                         | -                                                 | <b>Net cash generated from / (used in) from financing activities (C)</b> | <b>194,715,131</b>                                | <b>(44,660,430)</b>                               |
| <b>Operating (profit) / loss before working capital changes</b>                                            | <b>(59,171,771)</b>                               | <b>(371,738,379)</b>                              | <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>    | <b>(15,696,279)</b>                               | <b>(7,717,539)</b>                                |
| <b>Changes in working capital</b>                                                                          |                                                   |                                                   | Cash and cash equivalents at the beginning of the year                   | 196,675,349                                       | 204,392,888                                       |
| Adjustments for (increase) / decrease in operating assets:                                                 |                                                   |                                                   | Cash and cash equivalents at the end of the year (See Note 2.18)         | <b>180,979,070</b>                                | <b>196,675,349</b>                                |
| Inventories (See Note 2 below)                                                                             | (270,455,679)                                     | (318,777,440)                                     |                                                                          |                                                   |                                                   |
| Trade receivables                                                                                          | 102,060,050                                       | 61,523,047                                        |                                                                          |                                                   |                                                   |
| Short-term loans and advances                                                                              | (13,764,863)                                      | (60,419,646)                                      |                                                                          |                                                   |                                                   |
| Long-term loans and advances                                                                               | 7,956,471                                         | 6,370,982                                         |                                                                          |                                                   |                                                   |
| Other current assets                                                                                       | (139,845,467)                                     | 36,685,535                                        |                                                                          |                                                   |                                                   |
| Adjustments for increase / (decrease) in operating liabilities:                                            |                                                   |                                                   |                                                                          |                                                   |                                                   |
| Trade payables                                                                                             | 395,340,636                                       | 366,630,512                                       |                                                                          |                                                   |                                                   |
| Other current liabilities                                                                                  | (465,947,005)                                     | (8,930,804)                                       |                                                                          |                                                   |                                                   |
| Short-term provisions                                                                                      | 162,687                                           | (28,218)                                          |                                                                          |                                                   |                                                   |
| Other long-term liabilities                                                                                | 3,311,247                                         | (145,178,913)                                     |                                                                          |                                                   |                                                   |
| Policy Liabilities                                                                                         | 80,970,405                                        | 574,712,207                                       |                                                                          |                                                   |                                                   |
| Long-term provisions                                                                                       | 3,539,048                                         | (2,608,127)                                       |                                                                          |                                                   |                                                   |
| <b>Other adjustments :</b>                                                                                 |                                                   |                                                   |                                                                          |                                                   |                                                   |
| Bank balances not considered as cash and cash equivalents                                                  |                                                   |                                                   |                                                                          |                                                   |                                                   |
| -Placed                                                                                                    | (237,136,866)                                     | (210,638,671)                                     |                                                                          |                                                   |                                                   |
| -Matured                                                                                                   | 243,663,656                                       | 248,715,953                                       |                                                                          |                                                   |                                                   |
| Sale of long-term investments                                                                              |                                                   |                                                   |                                                                          |                                                   |                                                   |
| -Others                                                                                                    | 27,492,238                                        | 17,031,695                                        |                                                                          |                                                   |                                                   |
| Proceeds from sale of investment properties                                                                | 80,395,512                                        | -                                                 |                                                                          |                                                   |                                                   |
| Loans Given                                                                                                |                                                   |                                                   |                                                                          |                                                   |                                                   |
| -Associate                                                                                                 | -                                                 | (10,000,000)                                      |                                                                          |                                                   |                                                   |
| -Joint Venture                                                                                             | (34,700,000)                                      | (22,000,000)                                      |                                                                          |                                                   |                                                   |
| -Entities under significant influence                                                                      | (15,000,000)                                      | (15,000,000)                                      |                                                                          |                                                   |                                                   |
| Repayment of loans                                                                                         |                                                   |                                                   |                                                                          |                                                   |                                                   |
| -Associate                                                                                                 | 15,000,000                                        | -                                                 |                                                                          |                                                   |                                                   |
| -Joint Venture                                                                                             | 111,590,758                                       | 28,918,393                                        |                                                                          |                                                   |                                                   |
| Interest received                                                                                          |                                                   |                                                   |                                                                          |                                                   |                                                   |
| -Associate                                                                                                 | 3,984,999                                         | 3,021,768                                         |                                                                          |                                                   |                                                   |
| -Others                                                                                                    | 42,344,077                                        | 46,164,381                                        |                                                                          |                                                   |                                                   |
| Cash generated from / (used in) operations                                                                 | <b>(118,209,867)</b>                              | <b>224,454,277</b>                                |                                                                          |                                                   |                                                   |
| Net income tax paid                                                                                        | (26,322,246)                                      | (41,374,520)                                      |                                                                          |                                                   |                                                   |
| <b>Net cash generated from / (used in) operating activities (A)</b>                                        | <b>(144,532,113)</b>                              | <b>183,079,757</b>                                |                                                                          |                                                   |                                                   |
| * Includes depreciation included under Commission and Operating expenses pertaining to Insurance Business. |                                                   |                                                   |                                                                          |                                                   |                                                   |
| ** Includes Interest income/ Dividend income included under Other Income from Insurance Business.          |                                                   |                                                   |                                                                          |                                                   |                                                   |

**Notes:**

- Cash flows relating to investment activities of the parent company are included under operating activities.
- Changes in inventories is after adjusting borrowing costs capitalised. Interest received is inclusive of amount netted off from inventories and finance cost is inclusive of amount capitalised under inventories.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
- Previous year figures have been regrouped wherever necessary.

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

**UDAY M. NEOGI** **CUMI BANERJEE** **KAUSHIK DESAI**  
Partner CEO & Company Secretary Chief Financial Officer

Mumbai: 26th May, 2016 Mumbai: 26th May, 2016

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.1 Basis of consolidation :

The consolidated financial statements relate to Industrial Investment Trust Limited (the Company), its Subsidiaries, Jointly Controlled Entities and associates (the Group). The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" (AS 21), Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" (AS 23), and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" (AS 27) specified under Section 133 of the Companies Act, 2013, ("the 2013 Act") and the relevant provisions of the 2013 Act as applicable.

- 1.2 (i) The financial statements of the following subsidiaries have been consolidated as per Accounting standard 21 on "Consolidated Financial Statements" as specified under Section 133 of the 2013 Act.

| Name of Subsidiary                                                                                                        | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                                                           | Extent of holding (%)               | Extent of holding (%)               |
| (i) IIT Investtrust Limited (IITIL)                                                                                       | 99                                  | 99                                  |
| (ii) IIT Insurance Broking and Risk Management Private Limited (IITIBRMPL)                                                | 100                                 | 100                                 |
| (iii) IITL Projects Limited (IITLPL)                                                                                      | 71.74                               | 71.74                               |
| (iv) IITL Marketing Management Private Limited (IITLMMPL) (formerly known as IIT Media and Entertainment Private Limited) | 100                                 | 100                                 |
| (v) IITL Corporate Insurance Services Private Limited (IITLCISPL)                                                         | 100                                 | 100                                 |

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 specified under Section 133 of the 2013 Act.

| Name of Jointly Controlled Entity                                  | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|--------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                    | Extent of holding (%)               | Extent of holding (%)               |
| (i) Capital Infraprojects Private Limited (CIPL)                   | 50                                  | 50                                  |
| (ii) IITL Nimbus The Hyde Park Noida (INHP) - Partnership Firm     | 45                                  | 45                                  |
| (iii) IITL Nimbus The Express Park View (INEPV) - Partnership Firm | 47.50                               | 47.50                               |
| (iv) IITL Nimbus The Palm Village (INPV) - Partnership Firm        | 47.50                               | 47.50                               |
| (v) Future Generali India Life Insurance Company Limited (FGILICL) | 22.50                               | 22.50                               |

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

- (iii) The following associates, investment in which is accounted using equity method as per Accounting standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" as specified under Section 133 of the 2013 Act.

| Name of Associate Company                                                     | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                               | Extent of holding (%)               | Extent of holding (%)               |
| Golden Palms Facility Management Private Limited (GPFMPL) (w.e.f. 27.07.2015) | 50                                  | NIL                                 |
| World Resorts Limited (WRL)                                                   | 25                                  | 25                                  |

### 1.3 Principles of consolidation:

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

- The Financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act.
- 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 specified under Section 133 of the 2013 Act, using the "proportionate consolidation" method.
- 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, 2016.
- The excess of cost to the Company of its investment in the subsidiaries and jointly controlled entities over the Company's portion of equity, at the dates on which the investments are made/acquired, is recognised in the financial statements as Goodwill being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiaries and jointly control entities as on the dates of investment /acquisition is in excess of cost of the investment of the company, it is recognised as Capital Reserve and shown under the head Reserves & Surplus in the Consolidated Financial Statements.
- Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments.
- The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

### 1.4 Significant Accounting Policies:

#### (i) Basis of accounting:

The financial statements of the Group have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the previous year. The Consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 and the relevant provisions of the 2013 Act. The Company follows the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

The Financial Statements of FGILICL are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and in compliance with the Accounting Standards specified under Section 133 of the 2013 Act to the extent applicable read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the 2013 Act, as applicable, and in accordance with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated 31st March 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 the ("IRDA Act"), and the regulations framed there under (also refer IRDAI) the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA"/"Authority") in this regard. The significant accounting policies followed are consistent with those followed in the previous year.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 1.4 Significant Accounting Policies: (contd.)

#### (ii) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### (iii) Revenue recognition:

##### Other than Insurance Business :

- (a) Interest on all lendings such as inter-corporate deposits, finance against securities and interest on 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.
- (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) 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. When it is probable that total estimated costs will exceed total project revenues, the expected loss is recognised as an expense immediately.

In case of Jointly Controlled Entities in real estate activities, revenue from real estate projects is recognized as per the Guidance Note on Accounting for Real Estates transactions (revised 2012) issued by ICAI. It is based on Percentage of completion method.

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.

- (f) Commission and brokerage from insurance broking 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.
- (g) Brokerage income from stock broking activities is recognised on the basis of contract notes issued.
- (h) Revenue in case of corporate finance income is recognised on the proportionate completion method based on management estimates of the stages of completion of the contracts.
- (i) Net income from trading of securities is accounted for on the basis of Stock Brokers Contract Notes.
- (j) 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.
- (k) Brokerage income from primary market has been recognised on the basis of advice from the Registrar regarding allotment.

##### Insurance Business

##### Life Insurance Premium :

- (a) Premium (net of service tax) is recognised as income when due from policyholders. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies. In respect of

### 1.4 Significant Accounting Policies: (contd.)

linked business, premium income is recognised when the associated units are allotted.

- (b) Top up premiums are considered as single premium.

##### Others :

- (c) Interest on investments and loans are recognised on accrual basis. Accretion of discount and amortization of premium in respect of debt securities is affected over the remaining term of such instruments on constant yield basis. In case of Treasury Bills /Commercial Papers/ Certificate of Deposits/CBLO, accretion of discount is effected over the remaining period of instruments on Straight Line Basis.
- (d) In case of unit linked business, fund management charges, administration charges and mortality charges are recognised in accordance with the terms and conditions of the policy.
- (e) Realised gains and losses in respect of equity shares and units of mutual funds are calculated as the difference between the net sales proceeds and their weighted average cost.
- (f) In respect of debt securities held on account of Shareholders and Non-Linked Policyholders Funds, the realised gains and losses are calculated as difference between net sales proceeds or redemption proceeds and amortised cost. Cost in respect of these securities is computed using weighted average method. In case of unit linked Funds, realised profit/ loss on debt securities are calculated as the difference between the net sales proceeds and their weighted average cost.

In case of Treasury Bills/Commercial Papers/Certificate of Deposits/ CBLO, the same is calculated as difference between net sales proceeds and amortised cost.

- (g) Dividend income is recognised when the right to receive dividend is established.

##### Reinsurance premium :

- (h) Premium ceded on reinsurance is accounted in accordance with the terms of the treaty.

#### (iv) 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 after ascertaining the cost of sales which is determined based on the total area sold as at the Balance Sheet date.
- (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.

#### (v) Fixed Assets :

##### Tangible Asstes :

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. Improvements to leasehold premises are capitalised as Leasehold Improvements.

##### Intangible Asstes :

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

#### (vi) Depreciation and amortisation:

- (a) Depreciation on fixed assets is provided on the written down value basis as per the useful life prescribed in Schedule II to the 2013 Act, except in

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 1.4 Significant Accounting Policies: (contd.)

respect of: (a) IITIL and CIPL where depreciation is provided on straight line method, as per the useful life prescribed in Schedule II to the 2013 Act; (b) INHP, INEPV and INPV, joint venture partnership firms 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. and (c) In respect of FGILICL where depreciation on fixed assets is provided using the straight line method on a pro-rata basis over the remaining useful life of assets as prescribed in Schedule II to the 2013 Act.

- (b) Depreciation on improvement in lease hold premises is provided over the period of lease except in respect of FGILICL where leasehold improvements are amortised over the initial period of respective leases or 60 months, whichever is lower.
- (c) Depreciation on additions to fixed assets is provided for the full year irrespective of the date of addition and no depreciation is provided on deletions to fixed assets in the year of sale except in respect of INHP, INEPV and INPV, joint venture partnership firms where depreciation is provided as per Income Tax Act, 1961.
- (d) Computer software is amortised over the period of its estimated useful life ranging from 2 to 5 years.

### (vii) Investments:

#### Other Than Insurance Business :

Long Term Investments (excluding Investment properties) 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. Investment properties are carried individually at cost less accumulated depreciation. Investment properties are capitalised and depreciated in accordance with the policy stated for fixed assets.

#### Insurance Business :

Investments are made in accordance with the Insurance Act, 1938, as amended by the Insurance Law (Amendment Act), 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended and circulars/notifications issued by the Insurance Regulatory and Development Authority (IRDA) from time to time. Investments are recorded on the trade date at cost, which includes brokerage, statutory levies, if any and excludes interest paid, if any, on purchase.

#### Classification:

Investments intended to be held for a period of less than twelve months or those maturing within twelve months from the Balance Sheet Date are classified as "Short Term Investments". Investments other than short term are classified as "Long Term Investments".

#### Valuation - Shareholders' investments and Non-Linked Policyholders' investments:

Debt securities including government securities are considered as "held to maturity" and are stated at amortised cost. The premium or discount, which is paid or availed respectively, at the time of purchase of a fixed income security, is amortised over the life of the instrument on Constant yield basis. Fixed deposits are valued at cost till the date of maturity. Investments in mutual funds are stated at the Net Asset Value (NAV) as at the Balance Sheet date. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of calculating NAV, listed equity shares are valued at last quoted closing price on the NSE and in case the equity shares are not listed or traded on NSE then they are valued on the last quoted closing price on the BSE. Unlisted equity securities are measured at historic cost. In respect of investment in equity shares and mutual funds, the corresponding unrealized investment gain or losses are reported in the Balance Sheet under "Fair Value Change Account". In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognised as an expense in the Revenue/Profit and Loss Account as the case may be.

#### Valuation - Linked Business:

Government Securities and other Debt Securities with remaining maturity more than 182 days are valued based on market value obtained from Fixed

### 1.4 Significant Accounting Policies: (contd.)

Income Money Market and Derivatives Association of India ('FIMMDA') and CRISIL Bond Value respectively. Government and other debt securities with remaining maturity of up to 182 days are valued at amortised cost spread uniformly over the remaining life of the securities. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing price at the National Stock Exchange of India Ltd. ('NSE') is considered. Unrealised gain or losses are recognized in the scheme's Revenue Account. Fixed Deposits are valued at cost till the date of maturity. Mutual fund units are valued at previous day's Net Asset Value.

#### Transfer of Investments :

Transfer of debt securities from shareholders' to policyholders' is done at the lower of net amortised cost and market value on the date of transfer. In the case of equity securities, such transfers are affected at lower of cost and market value on the date of transfer. In case of unit linked fund, such transfers are effected at market value on date of transfer. No transfer of investments is made between non linked Policyholder's funds.

### (viii) Taxation:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### (ix) Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best 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 best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### (x) Impairment of assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 1.4 Significant Accounting Policies: (contd.)

recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

#### (xi) Employee Benefits:

##### (a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in Consolidated Statement of Profit and Loss 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 the Consolidated Statement of Profit and Loss as incurred.

###### (ii) Defined Benefit Plan:

###### 1. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

###### 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 except for Jointly Controlled Entities other than FGILICL in case of which the provision for compensated absences, which is not material, is based on management valuation. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss.

#### (xii) 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. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### (xiii) 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 Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

### 1.4 Significant Accounting Policies: (contd.)

#### (xiv) Foreign Currency Transactions:

Transactions in foreign currencies are translated to reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expense in the Consolidated Statement of Profit and Loss.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing date rates, and unrealized translation differences are included in the Consolidated Statement of Profit and Loss.

#### (xv) Share issue expenses:

Share issue expenses are adjusted against Securities Premium Account in terms of Section 52 of the 2013 Act, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

#### (xvi) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### (xvii) Cash and bank balances (for purposes of Cash Flow Statement) :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### (xviii) Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### (xix) Other Policies with respect to Insurance Business:

##### (a) Benefits Paid (including Claims) :

Claims by death are accounted when intimated. Claims by maturity are accounted on the maturity date. Annuity benefits are accounted when due. Surrenders are accounted as and when notified. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable. Claims recovered or recoverable from reinsurer are accounted in the same period as that of the related claims. Withdrawals under unit linked policies are accounted in respective schemes when the associated units are cancelled.

##### (b) Funds for Future Appropriation For Insurance Company :

The balance in this account represents the amounts estimated by the Appointed Actuary as Funds for Future Appropriation (FFA) – Linked,

### 1.4 Significant Accounting Policies: (contd.)

required to be set aside in the Balance Sheet and are not available for distribution to shareholders until the expiry of the revival period.

The Funds for Future Appropriations (FFA), in the participating segment, represents the surplus, which is not allocated to policyholders or shareholders as at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

#### (c) Loans against policies :

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalised interest (accrued and due) and are subject to impairment, if any.

#### (d) Policy Liabilities pertaining to Insurance Company :

Liabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the Standards and Guidance Notes established by the Institute of Actuaries of India, the requirement of the Insurance Act, 1938 as amended by the Insurance law (Amendment Act,) 2015, and the regulations issued by the IRDA. The actuarial assumptions are given below.

#### Actuarial Method and Assumptions for Insurance Company :

The actuarial method and the assumptions used in the valuation as at March 31, 2016 are stated below:

- (a) Liabilities on life policies are determined by the Appointed Actuary as per the provision of Insurance Regulatory and Development Authority of India (IRDAI) on Assets Liabilities and Solvency Margin of Insurers Regulations, 2000, other relevant regulations and circulars issued by the IRDAI from time to time, Insurance Act 1938 as amended from time to time, generally accepted actuarial principles and in accordance with the Standards and Guidance Notes issued by the Institute of Actuaries of India with the concurrence of IRDAI;
- (b) In case of non-linked individual business (other than Guarantee Advantage plan), Gross Premium Valuation Reserve Method is used to calculate the liabilities with respect to expenses, mortality and other claims including bonus if any; negative reserves are eliminated at policy level. The reserves are floored to the higher of guaranteed surrender value (GSV) and the special surrender value (SSV) at a policy level. For term products, the reserves are also floored to the unearned premium reserve (UPR);
- (c) For the non-participating "Guarantee Advantage" plan, the reserves held are equal to the account value accrued. An additional reserve representing the present value of the difference between future outgo and future charges is held;
- (d) For Linked business, unit value as on the valuation date is kept as unit reserve and discounted cash flow approach is used to determine non-unit reserves as per IRDAI guidelines subject to minimum of half a month's mortality and policy administration charges;
- (e) For Non-Linked Pension Business, liability has been calculated using the bonus rate on Policy Holder's Pension Fund Account. Policyholder pension fund account is calculated using the premiums accumulated with past bonuses declared;
- (f) For Riders reserves, liabilities have been calculated as higher of Gross premium valuation reserve method and unearned premium method;
- (g) For Group Term insurance, reserves are calculated using the Unexpired Risk Reserve (URR) methodology including Expense Reserves;
- (h) For Group Credit Suraksha, Gross Premium Valuation Reserve method has been used;

### 1.4 Significant Accounting Policies: (contd.)

- (i) i) For Non Linked Group Gratuity, Group Superannuation and Group Leave Encashment plans, contributions net of withdrawals is being accumulated using the crediting rate which is calculated as yield less expenses, if any;
- (i) For the Non Linked Variable Insurance products - Group Gratuity and Group Leave Encashment plans, contributions net of withdrawals is being accumulated using the crediting rate as declared quarterly in advance;
- (j) For Non Linked Variable Insurance product Group Superannuation – contributions net of withdrawals is being accumulated at a minimum floor rate (guaranteed rate of return) of 1% pa. Additional earnings over and above the minimum floor rate, if any, is shared through annual bonus at the end of the financial year. The annual declared bonus amount will be credited to the policy account;
- (k) For Group Linked Gratuity and Saving Suraksha products, Unit Reserve i.e. Fund Value and Non Unit Reserve is kept. Non Unit Reserve is calculated using the Unexpired Risk Reserve (URR) methodology including Expense Reserves.
- (l) In addition to the above mentioned reserves, other additional global provisions are made which include the following:
  - a. Maintenance expense overrun reserve
  - b. Closure to new business reserve
  - c. Cost of guarantee reserve
  - d. Free look cancellation reserve
  - e. Reserves for lapsed policies eligible for revivals
  - f. Extra mortality reserves
  - g. Reserve for incurred but not reported claims

Valuation assumptions are based on mix of pricing assumptions which are derived from industry experience and based on own projection and assessment duly adjusted for Margin for Adverse Deviation as per relevant Standards and Guidance Notes issued by the Institute of Actuaries of India.

Following are basis for Gross Premium Reserve method for Individual Non-linked business.

Interest rate: 6.70% per annum for 1st five years and 5.90% thereafter for participating business 5.70% per annum for 1st five years and 4.90% thereafter for non-participating business and non-unit reserves under unit linked business.

Mortality: Based on published mortality table - Indian Lives Mortality 2006-08 suitably adjusted to reflect actual experience along with margins for adverse deviation in compliance with Actuarial practice standards issued by the Institute of Actuaries of India.

Morbidity: For critical illness it is based on CIBT-93 table with adjustment to reflect expected experience along with margins for adverse deviation in compliance with Actuarial practice standards issued by the Institute of Actuaries of India. For accidental riders, it is a flat rate independent of age.

Lapse/Surrender/Withdrawal: A prudent lapse/surrender/withdrawal assumption is used in the calculation of reserves incorporating margins for adverse deviation in compliance with Actuarial practice standards issued by the Institute of Actuaries of India.

Expense inflation: 4% per annum.

Commission: As per the provision under the relevant plan approved by IRDA.

Expenses: Appropriate assumptions are made based on the long term expenses projected in the business plan with allowance for adverse deviation.

Future Bonus rates: For participating business, future bonus rate assumptions are consistent with the Bonus earning capacity and Policyholders' Reasonable Expectations

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.1 Share Capital

| Particulars                                                                                                                                                | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Authorised</b>                                                                                                                                          |                                   |                                   |
| 30,000,000 (previous year 30,000,000) Equity shares of ₹ 10 each                                                                                           | 300,000,000                       | 300,000,000                       |
| 5,000,000 (previous year 5,000,000) Preference shares of ₹ 10 each                                                                                         | 50,000,000                        | 50,000,000                        |
| <b>Issued, subscribed and fully paid-up:</b>                                                                                                               |                                   |                                   |
| 22,547,550 (previous year 22,547,550) Equity shares of ₹ 10 each                                                                                           | 225,475,500                       | 225,475,500                       |
| [Included above are 9,777,550 (previous year: 9,777,550) equity shares represented by 4,888,755 (Previous year: 4,888,755) Global Depository Shares "GDS"] |                                   |                                   |
| <b>Total</b>                                                                                                                                               | <b>225,475,500</b>                | <b>225,475,500</b>                |

#### (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Equity Shares                                                                          | As at 31st March, 2016 |                    | As at 31st March, 2015 |                    |
|----------------------------------------------------------------------------------------|------------------------|--------------------|------------------------|--------------------|
|                                                                                        | No. of shares          | ₹                  | No. of shares          | ₹                  |
| <b>Opening Balance</b>                                                                 | 22,547,550             | 225,475,500        | 21,827,550             | 218,275,500        |
| Add:- Conversion of Compulsorily Convertible Preference Shares (CCPS) to equity shares | -                      | -                  | 720,000                | 7,200,000          |
| <b>Closing balance</b>                                                                 | <b>22,547,550</b>      | <b>225,475,500</b> | <b>22,547,550</b>      | <b>225,475,500</b> |

The Company had issued 4,888,775 Global Depository Shares ('GDSs') representing 9,777,550 equity shares of the Company of nominal value ₹ 10 each, aggregating to US \$ 59.89 millions equivalent to ₹ 3,377,606,725 (including share premium of ₹ 3,279,831,225). The GDSs are listed on Luxembourg Stock Exchange.

| 10% Compulsory Convertible Preference Shares | As at 31st March, 2016 |          | As at 31st March, 2015 |           |
|----------------------------------------------|------------------------|----------|------------------------|-----------|
|                                              | No. of shares          | ₹        | No. of shares          | ₹         |
| <b>Opening Balance</b>                       | -                      | -        | 720,000                | 7,200,000 |
| Less:- Conversion of CCPS to equity shares   | -                      | -        | 720,000                | 7,200,000 |
| <b>Closing balance</b>                       | <b>-</b>               | <b>-</b> | <b>-</b>               | <b>-</b>  |

During the year 2012-13, the Company had allotted 2,770,000 10% Compulsorily Convertible Preference Shares of ₹ 10 each on a preferential basis to companies in the promoter group at a price of ₹ 350/- per share. The closing balance of 720,000 CCPS as on 31st March 2014 was converted to equity shares on 3rd April 2014.

#### (b) Rights, preferences and restrictions attached to equity shares

Equity shares of the Company are issued at a par value of ₹ 10 per share.

- Equity Shares represented by GDS** - Holders of the GDSs will have no voting rights with respect to the underlying equity shares. The Depository will not exercise any voting rights with respect to the deposited shares. Other rights, preferences and restrictions are same as other equity shares.
- Other Equity Shares** - Each holder of other equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all claims/liabilities and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows:

| Particulars                                               | As at 31st March, 2016 |              | As at 31st March, 2015 |              |
|-----------------------------------------------------------|------------------------|--------------|------------------------|--------------|
|                                                           | No. of Shares held     | % of Holding | No. of Shares held     | % of Holding |
| N. N. Financial Services Private Limited                  | 7,087,960              | 31.44        | 7,087,960              | 31.44        |
| Nimbus India Limited                                      | 2,183,427              | 9.63         | 2,183,427              | 9.63         |
| Life Insurance Corporation of India                       | 1,225,017              | 5.43         | 1,225,017              | 5.43         |
| The Bank of New York Mellon (Depository for GDS holders)* | 9,777,550              | 43.36        | 9,777,550              | 43.36        |

\* The Company does not have the details of the individual holders.

#### (d) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

#### (e) Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000

Regarding issue of preference shares:

| Particulars                                              | During the year ended |                  |
|----------------------------------------------------------|-----------------------|------------------|
|                                                          | 31st March, 2016      | 31st March, 2015 |
|                                                          | ₹                     | ₹                |
| Unutilised monies as on April 1                          | -                     | 7,918,029        |
| Purpose for which the money received has been utilized : |                       |                  |
| Loans given to entities under significant influence      | -                     | 7,918,029        |
|                                                          | -                     | <b>7,918,029</b> |
| Unutilised monies as on March 31                         | -                     | -                |

### 2.2 Reserves and Surplus

| Particulars                                                                 | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Capital Reserve</b>                                                      |                                   |                                   |
| Balance as per last Consolidated Balance Sheet                              | 750                               | 750                               |
| <b>Capital reserve on consolidation</b>                                     |                                   |                                   |
| Balance as per last Consolidated Balance Sheet                              | 702,000                           | 702,000                           |
| <b>Capital Redemption Reserve</b>                                           |                                   |                                   |
| Balance as per last Consolidated Balance Sheet                              | 15,000,000                        | 15,000,000                        |
| <b>Fair Value Change</b>                                                    | (17,965,831)                      | (2,726,031)                       |
| <b>General Reserve</b>                                                      |                                   |                                   |
| Balance as per last Consolidated Balance Sheet                              | 195,597,506                       | 195,597,506                       |
| <b>Special Reserve (as per the RBI regulations)</b>                         |                                   |                                   |
| Opening balance                                                             | 309,390,023                       | 303,125,731                       |
| Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss | 13,016,977                        | 6,264,292                         |
| <b>Closing balance</b>                                                      | <b>322,407,000</b>                | <b>309,390,023</b>                |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.2 Reserves and Surplus (contd...)**

| Particulars                                                                                                                                                                        | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Securities Premium Account</b>                                                                                                                                                  |                                   |                                   |
| Balance as per last Consolidated Balance Sheet                                                                                                                                     | 4,186,487,469                     | 4,186,487,469                     |
| <b>Surplus in Consolidated Statement of Profit and Loss</b>                                                                                                                        |                                   |                                   |
| Opening balance                                                                                                                                                                    | 289,515,534                       | 310,930,682                       |
| Add: Profit / (Loss) for the year                                                                                                                                                  | (75,828,983)                      | 15,379,946                        |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 119,792) (See Note 2.36) | -                                 | 1,422,670                         |
| Less: Dividend proposed to be distributed to equity shareholders (₹ Nil per share, previous year ₹ 1.00 per share)                                                                 | -                                 | 22,543,605                        |
| Less: Dividend proposed to be distributed to CCPS shareholders (₹ Nil per share, previous year ₹ 1.00 per share)                                                                   | -                                 | 3,945                             |
| Less: Tax on dividend                                                                                                                                                              | -                                 | 4,590,230                         |
| Less: Short Provision of dividend distribution tax for prior Years                                                                                                                 | -                                 | 1,970,352                         |
| Transferred to:                                                                                                                                                                    |                                   |                                   |
| - Special Reserve                                                                                                                                                                  | 13,016,977                        | 6,264,292                         |
| <b>Closing balance</b>                                                                                                                                                             | <b>200,669,574</b>                | <b>289,515,534</b>                |
| <b>Total</b>                                                                                                                                                                       | <b>4,902,898,468</b>              | <b>4,993,967,251</b>              |

**2.3 Long Term Borrowings**

| Particulars                                               | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Term Loans:</b>                                        |                                   |                                   |
| From banks (Secured)                                      | 197,842,808                       | 39,171,000                        |
| Less: Current maturities of long-term debt (See Note 2.8) | 49,996,000                        | 9,996,000                         |
|                                                           | 147,846,808                       | 29,175,000                        |
| <b>From other parties</b>                                 |                                   |                                   |
| Vehicle Loan from Kotak Mahindra Prime Limited (Secured)  | 1,131,395                         | 1,881,460                         |
| Less: Current maturities of long-term debt (See Note 2.8) | 833,466                           | 750,065                           |
|                                                           | 297,929                           | 1,131,395                         |
| <b>Total</b>                                              | <b>148,144,737</b>                | <b>30,306,395</b>                 |

**Notes :**

Details of terms of repayment and security provided:

| Terms of Repayment                                                                                                                                                                                                                                                                                                                                              | Security details                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Axis Bank Ltd.: ₹ 29,175,000 (Previous year ₹ 39,171,000)</b><br><br>59 Equated Monthly Installments (EMI) each of ₹ 833,333 and last installment of ₹ 853,000; Number of Installments outstanding as at 31st March, 2016: 35 (As at 31st March 2015: 47)                                                                                                    | Secured by equitable mortgage on Immovable Property.                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Bank of India: ₹ 97,168,460 (Previous year ₹ Nil) (Amount not yet fully drawn)</b><br><br>Repayable in 6 quarterly installments of ₹ 2 crores (group's share) each and the 7th and 8th installments amounting to ₹ 8 crores (group's share) commencing from December, 2016 after initial moratorium period of 14 months. Interest is to be serviced monthly. | Primary security - Equitable mortgage (2nd charge) of the leasehold project land and building civil work and immovable machinery attached to it of one of the Jointly Controlled Entities. Collateral security - Equitable mortgage of a land and building owned by a partnership firm belonging to the promoter. Further, joint and several guarantee of promoter and a partnership firm belonging to the promoter is also provided. |
| <b>Consortium of Banks: ₹ 71,499,348 (Previous year ₹ Nil)</b><br><br>Repayable in 8 quarterly instalments commencing from 30th June, 2017 and ending on 31st March, 2019.                                                                                                                                                                                      | Term Loan from three banks under consortium arrangement is secured by (a) Second pari passu charge (1st pari passu charge with Noida Authority) on the project land (b) First pari passu charge by way of hypothecation of raw material and work in progress, receivables, book debts, bank accounts and all other incomes, present and future of one of the Jointly Controlled Entities.                                             |
| <b>Loan from other parties: Kotak Mahindra Prime Limited: ₹ 1,131,395 (Previous year ₹ 1,881,460)</b><br><br>35 Equated Monthly Installments (EMI) each of ₹ 76,133; Number of Installments outstanding as at 31st March, 2016: 16 (As at 31st March 2015: 28)                                                                                                  | Secured by hypothecation of the vehicle purchased from the loan.                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Interest rates:</b> Interest rates for the above loans ranges from 10.25% to 13.50%.                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**2.4 Other long-term liabilities**

| Particulars                          | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|--------------------------------------|-----------------------------------|-----------------------------------|
| <b>Trade payables</b>                |                                   |                                   |
| - Premium for development rights     | 874,824,765                       | 907,250,979                       |
| <b>Others</b>                        |                                   |                                   |
| - Retention money                    | 40,886,486                        | 30,969,331                        |
| - Interest Free Maintenance Security | 26,974,596                        | 22,697,219                        |
| - Advance for Sale of Land           | 105,802,467                       | 84,259,538                        |
| <b>Total</b>                         | <b>1,048,488,314</b>              | <b>1,045,177,067</b>              |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.5 Long-term provisions**

| Particulars                             | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------|-----------------------------------|-----------------------------------|
| <b>Provision for employee benefits:</b> |                                   |                                   |
| - Compensated absences                  | 8,562,128                         | 5,783,969                         |
| - Gratuity (See Note 2.32)              | 3,011,857                         | 2,250,968                         |
| <b>Provision - Others:</b>              |                                   |                                   |
| - Provision for contingency             | 5,000,000                         | -                                 |
| <b>Total</b>                            | <b>16,573,985</b>                 | <b>8,034,937</b>                  |

**2.6 Short-term borrowings**

| Particulars                                         | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Loans repayable on demand</b>                    |                                   |                                   |
| From other parties (Unsecured)                      | 183,928,599                       | 73,000,000                        |
| <b>Loan and advances</b>                            |                                   |                                   |
| From related parties (Unsecured)<br>(See Note 2.31) | 249,570,000                       | 190,000,000                       |
| <b>Total</b>                                        | <b>433,498,599</b>                | <b>263,000,000</b>                |

**2.7 Trade payables**

| Particulars                    | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|--------------------------------|-----------------------------------|-----------------------------------|
| Trade Payables                 | 712,603,518                       | 310,448,801                       |
| Premium for development rights | 461,220,942                       | 468,032,092                       |
| Retention money                | 493,597                           | 6,332,657                         |
| Others                         | 257,040                           | 418,894                           |
| <b>Total</b>                   | <b>1,174,575,097</b>              | <b>785,232,444</b>                |

**2.8 Other current liabilities**

| Particulars                                                                                             | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|---------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Current maturities of long-term debt (See Note 2.3)                                                     | 50,829,466                        | 10,746,065                        |
| Unpaid dividends *                                                                                      | 3,887,249                         | 4,198,433                         |
| Interest accrued and due on borrowings                                                                  | 9,361,403                         | 5,853,100                         |
| Interest accrued but not due on borrowings                                                              | 36,106,600                        | -                                 |
| <b>Other payables</b>                                                                                   |                                   |                                   |
| - Lease Rent Payable                                                                                    | 7,886,445                         | 5,382,926                         |
| - Security deposits received                                                                            | 121,167,778                       | 90,117,288                        |
| - Statutory remittances                                                                                 | 32,993,174                        | 18,246,249                        |
| - Interest free maintenance security received from customers                                            | 14,413,302                        | 9,011,086                         |
| - Booking advance refundable to customer                                                                | 697,056                           | -                                 |
| - Advances received from customers (including the progress billings for which amounts are not received) | 718,680,563                       | 1,255,018,619                     |
| - VAT payable to customer                                                                               | -                                 | 6,248,724                         |
| - Interest payable on refund to customers                                                               | 1,018,403                         | -                                 |
| - Others                                                                                                | 86,703,190                        | 64,463,622                        |
| <b>Total</b>                                                                                            | <b>1,083,744,630</b>              | <b>1,469,286,112</b>              |

\* Investor Protection and Education Fund is being credited as and when due.

**2.9 Short term provisions**

| Particulars                                   | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Provision for employee benefits:</b>       |                                   |                                   |
| Compensated absences                          | 1,054,482                         | 2,505,760                         |
| Gratuity (See Note 2.32)                      | 249,135                           | 691,988                           |
|                                               | <b>1,303,617</b>                  | <b>3,197,748</b>                  |
| <b>Provision - Others:</b>                    |                                   |                                   |
| Provision for Income tax (net of advance tax) | 885,032                           | 3,709,741                         |
| Provision for VAT                             | 2,056,818                         | -                                 |
| Contingent Provision against Standard Assets  | 1,558,361                         | 1,938,000                         |
| Proposed equity dividend                      | -                                 | 22,543,605                        |
| Proposed preference dividend                  | -                                 | 3,945                             |
| Tax on proposed dividend                      | 3,170,225                         | 7,760,455                         |
| <b>Total</b>                                  | <b>8,974,053</b>                  | <b>39,153,494</b>                 |



### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### 2.10 Fixed assets

| 2.10 Fixed assets      |                       | GROSS BLOCK                                                                 |              |             |                        |                       | DEPRECIATION AND AMORTISATION                                               |                                                                                                        |                |              |                        | NET BLOCK              |  |
|------------------------|-----------------------|-----------------------------------------------------------------------------|--------------|-------------|------------------------|-----------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|--------------|------------------------|------------------------|--|
| ASSETS                 | As at 1st April, 2015 | Adjustment on account of increase in profit share in a joint venture entity | Additions    | Disposals   | As at 31st March, 2016 | As at 1st April, 2015 | Adjustment on account of increase in profit share in a joint venture entity | Transition adjustment recorded against Surplus balance in statement of Profit and Loss (see note 2.36) | For the year * | On disposals | As at 31st March, 2016 | As at 31st March, 2015 |  |
|                        |                       |                                                                             |              |             |                        |                       |                                                                             |                                                                                                        |                |              |                        |                        |  |
| TANGIBLE               |                       |                                                                             |              |             |                        |                       |                                                                             |                                                                                                        |                |              |                        |                        |  |
| Buildings              | 109,463,520           | -                                                                           | -            | -           | 109,463,520            | 15,605,627            | -                                                                           | -                                                                                                      | 4,520,892      | -            | 20,126,519             | 93,857,893             |  |
|                        | (109,463,520)         | -                                                                           | -            | -           | (109,463,520)          | (10,855,955)          | -                                                                           | -                                                                                                      | (4,749,672)    | -            | (15,605,627)           | (98,607,565)           |  |
| Leasehold Improvement  | 575,747               | -                                                                           | 9,869,639    | -           | 10,445,386             | 32,571                | -                                                                           | -                                                                                                      | 2,469,019      | -            | 2,501,590              | 543,176                |  |
|                        | -                     | -                                                                           | (575,747)    | -           | (575,747)              | -                     | -                                                                           | -                                                                                                      | (32,571)       | -            | (32,571)               | -                      |  |
| Furniture and fixtures | 3,778,336             | 97,631                                                                      | 10,745,355   | -           | 14,621,322             | 1,730,929             | 30,992                                                                      | -                                                                                                      | 3,166,545      | -            | 4,928,466              | 2,047,407              |  |
|                        | (4,880,662)           | -                                                                           | (175,997)    | (1,278,323) | (3,778,336)            | (2,168,479)           | -                                                                           | (2,168)                                                                                                | (478,398)      | (918,116)    | (1,730,929)            | (2,712,182)            |  |
| Vehicles               | 8,624,962             | 38,909                                                                      | -            | 1,616,896   | 7,046,975              | 3,745,058             | 21,644                                                                      | -                                                                                                      | 1,093,772      | 1,184,202    | 3,676,272              | 4,879,904              |  |
|                        | (5,121,540)           | -                                                                           | (4,431,732)  | (928,310)   | (8,624,962)            | (2,587,011)           | -                                                                           | -                                                                                                      | (1,576,502)    | (418,455)    | (3,745,058)            | (2,534,529)            |  |
| Plant and machinery    | 1,577,393             | 60,596                                                                      | 253,452      | -           | 1,891,441              | 546,424               | 20,932                                                                      | -                                                                                                      | 174,045        | -            | 741,401                | 1,030,969              |  |
|                        | (1,060,516)           | -                                                                           | -            | -           | (1,060,516)            | (180,976)             | -                                                                           | -                                                                                                      | (127,803)      | -            | (308,779)              | (879,540)              |  |
| Office equipment       | 4,541,687             | 63,851                                                                      | 8,296,164    | -           | 12,901,702             | 3,172,705             | 29,971                                                                      | -                                                                                                      | 4,618,182      | -            | 7,820,858              | 1,368,981              |  |
|                        | (5,131,714)           | -                                                                           | (618,370)    | (741,846)   | (5,008,238)            | (2,324,546)           | -                                                                           | (330,190)                                                                                              | (1,137,907)    | (422,875)    | (3,369,768)            | (2,807,168)            |  |
| Computers              | 11,510,109            | 140,440                                                                     | 9,347,584    | -           | 20,998,133             | 9,940,258             | 120,083                                                                     | -                                                                                                      | 4,678,940      | 831          | 14,738,450             | 1,569,851              |  |
|                        | (11,991,530)          | -                                                                           | (921,233)    | (1,352,329) | (11,560,434)           | (9,575,483)           | -                                                                           | (649,845)                                                                                              | (1,004,479)    | (1,248,969)  | (9,980,838)            | (2,416,047)            |  |
| Sub-total              | 140,071,754           | 401,427                                                                     | 38,512,194   | 1,616,896   | 177,368,479            | 34,773,572            | 223,622                                                                     | -                                                                                                      | 20,721,395     | 1,185,033    | 54,533,556             | 105,298,181            |  |
|                        | (137,649,483)         | -                                                                           | (6,723,079)  | (4,300,808) | (140,071,754)          | (27,692,452)          | -                                                                           | (982,203)                                                                                              | (9,107,332)    | (3,008,415)  | (34,773,572)           | (109,957,031)          |  |
| INTANGIBLE             |                       |                                                                             |              |             |                        |                       |                                                                             |                                                                                                        |                |              |                        |                        |  |
| Computer software      | 66,995,367            | 106,333                                                                     | 11,909,936   | -           | 79,011,636             | 59,575,925            | 104,505                                                                     | -                                                                                                      | 6,178,020      | -            | 65,858,450             | 7,419,442              |  |
|                        | (60,465,081)          | -                                                                           | (6,606,799)  | (76,513)    | (66,995,367)           | (52,765,986)          | -                                                                           | (560,259)                                                                                              | (6,325,793)    | (76,113)     | (59,575,925)           | (7,699,094)            |  |
| Sub-total              | 66,995,367            | 106,333                                                                     | 11,909,936   | -           | 79,011,636             | 59,575,925            | 104,505                                                                     | -                                                                                                      | 6,178,020      | -            | 65,858,450             | 7,419,442              |  |
|                        | (60,465,081)          | -                                                                           | (6,606,799)  | (76,513)    | (66,995,367)           | (52,765,986)          | -                                                                           | (560,259)                                                                                              | (6,325,793)    | (76,113)     | (59,575,925)           | (7,699,094)            |  |
| Total                  | 207,067,121           | 507,760                                                                     | 50,422,130   | 1,616,896   | 256,380,115            | 94,349,497            | 328,127                                                                     | -                                                                                                      | 26,899,415     | 1,185,033    | 120,392,006            | 112,717,623            |  |
| Previous year          | (198,114,564)         | -                                                                           | (13,329,878) | (4,377,321) | (207,067,121)          | (80,458,438)          | -                                                                           | (1,542,462)                                                                                            | (15,433,124)   | (3,084,528)  | (94,349,497)           | (117,656,126)          |  |

\* Includes ₹ 4,06,684 (Previous year ₹ 317,523) depreciation on site assets which has been charged as cost of construction and depreciation amounting to ₹ 19,609,818 (previous year ₹ 5,849,000) included under commission & operating expenses pertaining to Insurance Business.

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.11 Non-current investments**

| Particulars                                                               | As at<br>31st March, 2016<br>₹  | As at<br>31st March, 2015<br>₹  |
|---------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>(I) Trade Investments-(valued at cost)</b>                             |                                 |                                 |
| <b>(A) Investment in Equity Instruments (fully paid-up):</b>              |                                 |                                 |
| - of associate, unquoted [See Note 2.34 (ii)]                             | 113,559,059                     | 116,823,620                     |
| <b>Total (A)</b>                                                          | <b>113,559,059</b>              | <b>116,823,620</b>              |
| <b>(B) Investment in Preference Shares (fully paid-up)</b>                |                                 |                                 |
| - of associate, unquoted                                                  |                                 |                                 |
| 10% Cumulative Redeemable Preference shares                               | 250,000,000                     | 250,000,000                     |
| 14% Non Convertible Cumulative Redeemable Preference shares               | 250,000,000                     | 250,000,000                     |
| 10% Optionally Convertible Cumulative Redeemable Preference shares        | 75,000,000                      | 75,000,000                      |
| <b>Total (B)</b>                                                          | <b>575,000,000</b>              | <b>575,000,000</b>              |
| <b>Total - Trade (A)+(B)</b>                                              | <b>688,559,059</b>              | <b>691,823,620</b>              |
| <b>(II) Other investments</b>                                             |                                 |                                 |
| <b>Investment property (valued at cost less accumulated depreciation)</b> |                                 |                                 |
| Immovable property (cost)                                                 | 48,313,724                      | 48,724,436                      |
| Less: Accumulated depreciation                                            | (557,748)                       | (897,185)                       |
|                                                                           | <b>47,755,976</b>               | <b>47,827,251</b>               |
| <b>Investment in Equity Instruments (fully paid-up):</b>                  |                                 |                                 |
| - of other entities, quoted                                               | 17,848,549                      | 150,747,842                     |
| Less: Provision for diminution in the value of investments                | (15,008,855)                    | (98,574,275)                    |
|                                                                           | <b>2,839,694</b>                | <b>52,173,567</b>               |
| - of other entities, unquoted                                             | 28,148,218                      | 28,148,218                      |
| Less: Provision for diminution in the value of investments                | (28,148,218)                    | (28,148,218)                    |
|                                                                           | -                               | -                               |
| <b>Of Insurance Company</b>                                               |                                 |                                 |
| Government Securities                                                     | 2,667,682,166                   | 2,387,473,339                   |
| Equity Shares                                                             | 789,755,408                     | 982,802,563                     |
| Other approved securities - other than Infrastructure and Social Sector   | 37,176,697                      | 34,129,583                      |
| Debentures                                                                | 813,457,710                     | 899,288,200                     |
| Infrastructure/Social Sector Bonds                                        | 1,149,384,678                   | 1,376,692,288                   |
|                                                                           | <b>5,457,456,659</b>            | <b>5,680,385,973</b>            |
| <b>Particulars</b>                                                        | <b>As at<br/>March 31, 2016</b> | <b>As at<br/>March 31, 2015</b> |
| Investment related to Policy Holders                                      | 3,744,898,109                   | 3,351,386,797                   |
| Investment to cover linked liabilities                                    | 1,358,762,036                   | 1,824,576,399                   |
| Investment related to shareholders                                        | 353,796,514                     | 504,422,777                     |
| <b>Total</b>                                                              | <b>5,457,456,659</b>            | <b>5,680,385,973</b>            |
| <b>Total Other Investments</b>                                            | <b>5,508,052,329</b>            | <b>5,780,386,791</b>            |
| <b>Total</b>                                                              | <b>6,196,611,388</b>            | <b>6,472,210,411</b>            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.12 Deferred taxes

| Particulars                                                        | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|--------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Deferred tax liabilities:</b>                                   |                                   |                                   |
| On difference between book balance and tax balance of fixed assets | (318,506)                         | (454,382)                         |
| <b>Deferred tax assets:</b>                                        |                                   |                                   |
| On difference between book balance and tax balance of fixed assets | 1,428,130                         | 1,614,386                         |
| Items covered under section 43B of the Income Tax Act, 1961        | 1,435,680                         | 1,211,554                         |
| Provisions for bad and doubtful debts                              | 2,020,955                         | 2,020,955                         |
| Contingent Provision against Standard Assets                       | 539,349                           | 640,761                           |
| Contingent Provision against sub-standard Assets                   | 12,625,728                        | -                                 |
| <b>Total</b>                                                       | <b>17,731,336</b>                 | <b>5,033,274</b>                  |

### 2.13 Long-term loans and advances (unsecured, considered good, unless otherwise stated)

| Particulars                                         | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Loans and advances to related parties</b>        |                                   |                                   |
| Loan to jointly controlled entities (See Note 2.31) | 10,500,000                        | -                                 |
| <b>Security deposits:</b>                           |                                   |                                   |
| - With a related party (See Note 2.31)              | -                                 | 560,500                           |
| - With others                                       | 45,129,892                        | 63,758,185                        |
| Advance income tax (Net of provisions)              | 44,099,558                        | 39,824,230                        |
| Balances with government authorities :              |                                   |                                   |
| - Vat input credit                                  | -                                 | 2,078,762                         |

### 2.15 Current investments (valued at lower of cost and fair value)

| Particulars                           | As at<br>31st March, 2016<br>₹ | As at<br>31st March, 2015<br>₹ |
|---------------------------------------|--------------------------------|--------------------------------|
| <b>Of Insurance company</b>           |                                |                                |
| - Corporate Securities - Mutual Funds | 237,202,852                    | -                              |
| - Government Securities               | 32,621,181                     | 78,074,559                     |
| - Other than Approved Investments     | 86,029,650                     | -                              |
| - Infrastructure/Social Sector Bonds  | 11,306,554                     | -                              |
| - Other approved securities           | 58,690,237                     | 148,952,079                    |
|                                       | <b>425,850,474</b>             | <b>227,026,638</b>             |

| Particulars                            | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|----------------------------------------|---------------------------|---------------------------|
| Investment related to Policy Holders   | 210,142,168               | 118,797,432               |
| Investment to cover linked liabilities | 176,319,851               | 105,018,978               |
| Investment related to shareholders     | 39,388,455                | 3,210,229                 |
| <b>Total</b>                           | <b>425,850,474</b>        | <b>227,026,638</b>        |

**Total**

**425,850,474**

**227,026,638**

### 2.13 Long-term loans and advances (Contd...) (unsecured, considered good, unless otherwise stated)

|                                                                     |                    |                    |
|---------------------------------------------------------------------|--------------------|--------------------|
| <b>Other loans and advances</b>                                     |                    |                    |
| - Recoverable from Greater Noida Industrial Development Authority * | 4,493,892          | 4,493,892          |
| - Debit balance in gratuity fund (See Note 2.32)                    | 201,363            | 707,291            |
| - Advances for supply of goods and services                         | 863,629            | 979,785            |
| - Loan to PolicyHolder                                              | 7,226,999          | 3,683,398          |
| - Deposit placed against disputed property tax (See Note 2.38)      | 10,389,567         | -                  |
| <b>Total</b>                                                        | <b>122,904,900</b> | <b>116,086,043</b> |

\*This represents tax deducted at source on interest paid on land premium installments payable to GNIDA. As per GNIDA tax is not deductible on interest paid to them, however, IITLPL had deducted and paid the tax amount to the income tax authorities. At the time of obtaining occupancy certificate, IITLPL had to pay to GNIDA, the amount of equivalent to the TDS deducted, as it was construed as short payment. IITLPL is in discussion with GNIDA, pending resolution the amount has been shown as recoverable from GNIDA.

### 2.14 Other Non-current assets (unsecured, considered good)

| Particulars                                         | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|
| Bank deposits with more than 12 months maturities * | 17,196,735                        | 17,570,418                        |
| Interest accrued on bank deposits                   | 692,029                           | 540,845                           |
| <b>Total</b>                                        | <b>17,888,764</b>                 | <b>18,111,263</b>                 |

\* Deposits pledged against guarantee given by bank and margin money with bank

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.16 Inventories (at lower of cost and net realisable value)**

| Particulars                          | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Construction work-in-progress        | 2,827,965,818                     | 3,190,812,495                     |
| Stock of Units in completed projects | 719,141,721                       | -                                 |
| <b>Total</b>                         | <b>3,547,107,539</b>              | <b>3,190,812,495</b>              |

**2.17 Trade receivables**

| Particulars                                                                           | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|---------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Outstanding for a period exceeding six months from the date they were due for payment |                                   |                                   |
| - Unsecured, considered good                                                          | 167,218,973                       | 154,079,422                       |
| - Doubtful                                                                            | 7,515,789                         | 7,515,789                         |
|                                                                                       | 174,734,762                       | 161,595,211                       |
| - Less: Provision for doubtful trade receivables                                      | 7,515,789                         | 7,515,789                         |
|                                                                                       | 167,218,973                       | 154,079,422                       |
| Other Trade receivables                                                               |                                   |                                   |
| - Unsecured, considered good                                                          | 163,030,224                       | 278,697,031                       |
| <b>Total</b>                                                                          | <b>330,249,197</b>                | <b>432,776,453</b>                |

**2.18 Cash and cash equivalents**

| Particulars                                                                            | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|----------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Cash and cash equivalents<br/>(as per AS 3 Cash Flow Statements)</b>                |                                   |                                   |
| Cash on hand                                                                           | 10,752,265                        | 12,132,727                        |
| Cheques, drafts on hand                                                                | 30,233,374                        | 27,193,745                        |
| Balances with banks                                                                    |                                   |                                   |
| - In current accounts                                                                  | 73,730,511                        | 146,444,057                       |
| - In deposit accounts with original maturity upto 3 months                             | 66,257,373                        | 10,667,277                        |
| - Others (Balance in foreign currency travellers cards)                                | 5,547                             | 237,543                           |
|                                                                                        | <b>180,979,070</b>                | <b>196,675,349</b>                |
| <b>Other bank balances:</b>                                                            |                                   |                                   |
| - In deposit accounts with original maturity of more than 3 months but upto 12 months* | 70,710,698                        | 78,907,245                        |
| - In deposit accounts with original maturity upto 3 months                             | -                                 | 5,966,153                         |
| - In deposit accounts with original maturity of more than 12 months                    | -                                 | 13,000,000                        |
| - In earmarked accounts - unpaid dividend accounts                                     | 3,887,249                         | 4,198,433                         |
|                                                                                        | <b>74,597,947</b>                 | <b>102,071,831</b>                |
| <b>Total</b>                                                                           | <b>255,577,017</b>                | <b>298,747,180</b>                |

\* Deposits pledged against guarantee given by bank/ as securities to sales tax authorities. 1,650,000 -

**2.19 Short-term loans and advances  
(unsecured, considered good)**

| Particulars                                                                                | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|--------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Loans and advances to related parties<br/>(See Note 2.31)</b>                           |                                   |                                   |
| Loans to Jointly Controlled Entities [includes SMA of ₹ 121,793,367 (previous year ₹ Nil)] | 198,190,848                       | 285,581,608                       |
| Loan to entity under significant influence                                                 | 45,000,000                        | 30,000,000                        |
| Loan to an associate                                                                       | 15,000,000                        | 30,000,000                        |
|                                                                                            | <b>258,190,848</b>                | <b>345,581,608</b>                |
| <b>Other loans and advances</b>                                                            |                                   |                                   |
| Security deposits                                                                          | 4,106,424                         | 5,230,359                         |
| Advances for supply of goods and services                                                  | 163,593,410                       | 145,398,486                       |
| Advance towards annual lease rent                                                          | 5,382,926                         | 5,382,928                         |
| Prepaid expenses                                                                           | 8,095,807                         | 6,955,951                         |
| Advance income tax (net of provisions)                                                     | 5,966,998                         | 6,626,732                         |
| MAT credit entitlement                                                                     | 3,487,536                         | 3,615,989                         |
| Balances with government authorities                                                       |                                   |                                   |
| - Deposit under protest to Income Tax Authority                                            | -                                 | 1,575,000                         |
| - Service tax credit receivable                                                            | 49,054,491                        | 55,684,201                        |
| - VAT recoverable                                                                          | 960,125                           | 299,610                           |
| Advances to vendors                                                                        | 31,500                            | -                                 |
| Advances to others                                                                         | 21,297,347                        | 18,230,632                        |
|                                                                                            | <b>261,976,564</b>                | <b>248,999,888</b>                |
| <b>Total</b>                                                                               | <b>520,167,412</b>                | <b>594,581,496</b>                |

**2.20 Other current assets  
(unsecured, considered good unless otherwise stated)**

| Particulars                                                                                    | As at<br>31st March,<br>2016<br>₹ | As at<br>31st March,<br>2015<br>₹ |
|------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Unbilled revenue                                                                               | 146,616,292                       | 4,222,605                         |
| Interest accrued on:                                                                           |                                   |                                   |
| - bank deposits                                                                                | 2,188,767                         | 5,814,791                         |
| - Investments                                                                                  | 150,968,522                       | 151,479,320                       |
| - loans to related parties (See note 2.31) [includes SMA of ₹ 84,18,477 (previous year ₹ Nil)] | 11,381,079                        | 11,644,346                        |
| - Other                                                                                        | 148,393                           | 22,178                            |
| Others                                                                                         | 24,503,406                        | 27,051,626                        |
| <b>Total</b>                                                                                   | <b>335,806,460</b>                | <b>200,234,866</b>                |

**2.21 Revenue from operations**

| Particulars                                           | For the<br>year ended<br>31st March,<br>2016<br>₹ | For the<br>year ended<br>31st March,<br>2015<br>₹ |
|-------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest [See Note 2.21 (a)]                          | 46,700,543                                        | 58,178,767                                        |
| Other financial services [See Note 2.21 (b)]          | 103,175                                           | 260,210                                           |
| Revenue from real estate projects [See Note 2.21 (c)] | 1,308,439,635                                     | 990,991,621                                       |
| Sale of services [See Note 2.21 (d)]                  | 8,069,083                                         | 15,776,664                                        |
| Other operating revenue [See Note 2.21 (e)]           | 87,843,646                                        | 1,865,454                                         |
| <b>Total</b>                                          | <b>1,451,156,082</b>                              | <b>1,067,072,716</b>                              |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.21 (a) Interest**

| Particulars            | For the<br>year ended<br>31st March,<br>2016 | For the<br>year ended<br>31st March,<br>2015 |
|------------------------|----------------------------------------------|----------------------------------------------|
|                        | ₹                                            | ₹                                            |
| On deposits with banks | 3,089,186                                    | 6,708,578                                    |
| On loans               | 43,611,357                                   | 51,470,189                                   |
| <b>Total</b>           | <b>46,700,543</b>                            | <b>58,178,767</b>                            |

**2.21 (b) Other financial Services**

|                                                 |                |                |
|-------------------------------------------------|----------------|----------------|
| Dividend income on long-term quoted investments | 103,175        | 260,210        |
| <b>Total</b>                                    | <b>103,175</b> | <b>260,210</b> |

**2.21 (c) Revenue from real estate projects**

|               |                      |                    |
|---------------|----------------------|--------------------|
| Sale of flats | 1,308,439,635        | 990,991,621        |
| <b>Total</b>  | <b>1,308,439,635</b> | <b>990,991,621</b> |

**2.21 (d) Sale of services**

|                              |                  |                   |
|------------------------------|------------------|-------------------|
| Brokerage:                   |                  |                   |
| - from insurance services    | 8,044,335        | 15,776,664        |
| - on shares and mutual funds | 24,748           | -                 |
| <b>Total</b>                 | <b>8,069,083</b> | <b>15,776,664</b> |

**2.21 (e) Other operating income**

|                                               |                   |                  |
|-----------------------------------------------|-------------------|------------------|
| Profit on sale of investment properties (Net) | 80,329,478        | -                |
| Others                                        | 7,514,168         | 1,865,454        |
| <b>Total</b>                                  | <b>87,843,646</b> | <b>1,865,454</b> |

**2.22 Other income**

| Particulars                                                                   | For the<br>year ended<br>31st March,<br>2016 | For the<br>year ended<br>31st March,<br>2015 |
|-------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                               | ₹                                            | ₹                                            |
| Interest income:                                                              |                                              |                                              |
| - On deposits with banks                                                      | 5,978,606                                    | 22,095,640                                   |
| - On deposits with others                                                     | 360,703                                      | -                                            |
| - On income tax refund                                                        | 118,852                                      | 569,486                                      |
| - Interest received from customers for late payment                           | 3,982,818                                    | 4,210,582                                    |
| Dividend income from current investments                                      | 103,686                                      | -                                            |
| Net gain on sale of current investments                                       | 137,732                                      | -                                            |
| Provision no longer required for diminution in value of long term investments | 58,771                                       | -                                            |
| Reversal of contingent provision against standard assets                      | 379,639                                      | -                                            |
| Other non-operating income:                                                   |                                              |                                              |
| Profit on sale of fixed asset                                                 | 7,306                                        | -                                            |
| Amounts no longer payable written back                                        | 5,997,983                                    | 1,927,842                                    |
| Miscellaneous income                                                          | 383,082                                      | 4,883,375                                    |
|                                                                               | <b>17,509,178</b>                            | <b>33,686,925</b>                            |
| Less: Interest income on bank deposits transferred to inventories             | -                                            | (2,432,878)                                  |
| <b>Total</b>                                                                  | <b>17,509,178</b>                            | <b>31,254,047</b>                            |

**2.23 Cost of sales**

| Particulars                                                | For the<br>year ended<br>31st March,<br>2016 | For the<br>year ended<br>31st March,<br>2015 |
|------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                            | ₹                                            | ₹                                            |
| <b>(i) Cost of construction / development</b>              |                                              |                                              |
| Opening balance of work in progress                        | 3,303,185,114                                | 2,782,738,239                                |
| Opening balance of material at site                        | -                                            | 28,748                                       |
| <b>(A) 3,303,185,114</b>                                   | <b>3,303,185,114</b>                         | <b>2,782,766,987</b>                         |
| <b>Add: Expenses incurred during the year</b>              |                                              |                                              |
| Land and development rights                                | 265,583,342                                  | 204,079,408                                  |
| Material, structural, labour and contract cost             | 1,083,923,409                                | 903,922,051                                  |
| Other project cost                                         | 2,175,032                                    | 40,040,581                                   |
| Employee benefits expense                                  | 7,908,637                                    | 7,602,466                                    |
| Depreciation                                               | 406,684                                      | 317,523                                      |
| Other expenses                                             | 52,346,892                                   | 30,407,831                                   |
| Interest and finance charges                               | 85,432,681                                   | 91,383,423                                   |
|                                                            | <b>1,497,776,677</b>                         | <b>1,277,753,283</b>                         |
| Less: Interest income on bank deposits                     | -                                            | (2,432,878)                                  |
| <b>(B) 1,497,776,677</b>                                   | <b>1,497,776,677</b>                         | <b>1,275,320,405</b>                         |
| Less:                                                      |                                              |                                              |
| Closing balance of work in progress                        | 2,827,965,818                                | 3,190,812,495                                |
| Stock of units on the date of completion of project        | 720,239,362                                  | -                                            |
| <b>(C) 3,548,205,180</b>                                   | <b>3,548,205,180</b>                         | <b>3,190,812,495</b>                         |
| <b>(A+B+C)</b>                                             | <b>1,252,756,611</b>                         | <b>867,274,897</b>                           |
| <b>(ii) Changes in stock of units in completed project</b> |                                              |                                              |
| Stock of units on the date of completion of project        | 720,239,362                                  | -                                            |
| Stock of units in completed project - closing              | 719,141,721                                  | -                                            |
|                                                            | <b>1,097,641</b>                             | <b>-</b>                                     |
| <b>(i+ii)</b>                                              | <b>1,253,854,252</b>                         | <b>867,274,897</b>                           |

**2.24 Employee benefits expense**

| Particulars                                               | For the<br>year ended<br>31st March,<br>2016 | For the<br>year ended<br>31st March,<br>2015 |
|-----------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                           | ₹                                            | ₹                                            |
| Salaries and wages                                        | 46,369,095                                   | 47,294,450                                   |
| Contribution to provident and other funds (See Note 2.32) | 3,219,734                                    | 2,041,127                                    |
| Staff welfare expenses                                    | 1,765,277                                    | 2,273,080                                    |
|                                                           | <b>51,354,106</b>                            | <b>51,608,657</b>                            |
| Less: Transferred to Inventories                          | (7,908,637)                                  | (7,602,466)                                  |
| <b>Total</b>                                              | <b>43,445,469</b>                            | <b>44,006,191</b>                            |

**2.25 Finance cost**

| Particulars                                          | For the<br>year ended<br>31st March,<br>2016 | For the<br>year ended<br>31st March,<br>2015 |
|------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                      | ₹                                            | ₹                                            |
| Interest expense on loans                            | 122,744,753                                  | 92,685,440                                   |
| Interest on delayed / deferred payment of income tax | 2,374,074                                    | 396,861                                      |
| Interest on Refund to Customers                      | 17,132,510                                   | -                                            |
| Other borrowing cost                                 | 7,012,290                                    | 4,068,650                                    |
|                                                      | <b>149,263,627</b>                           | <b>97,150,951</b>                            |
| Less: Transferred to Inventories                     | (85,432,681)                                 | (91,383,423)                                 |
| <b>Total</b>                                         | <b>63,830,946</b>                            | <b>5,767,528</b>                             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.26 Other expenses

| Particulars                                    | For the year ended 31st March, 2016<br>₹ | For the year ended 31st March, 2015<br>₹ |
|------------------------------------------------|------------------------------------------|------------------------------------------|
| Power and fuel                                 | 2,779,063                                | 2,884,135                                |
| Rent including lease rentals (See Note 2.28)   | 7,259,076                                | 7,151,651                                |
| Insurance                                      | 1,087,812                                | 1,025,142                                |
| Repairs and maintenance:                       |                                          |                                          |
| - Buildings                                    | 5,238,694                                | 4,325,900                                |
| - Computers                                    | 382,824                                  | 486,919                                  |
| - Plant & Machinery                            | 680,136                                  | 80,790                                   |
| - Office equipment                             | 80,728                                   | 43,796                                   |
| - Others                                       | 2,327,344                                | 2,914,670                                |
|                                                | 8,709,726                                | 7,852,075                                |
| Rates and taxes                                | 4,624,529                                | 1,862,697                                |
| Travelling and conveyance                      | 3,537,500                                | 6,035,285                                |
| Printing and stationery                        | 1,021,756                                | 676,756                                  |
| Communication expenses                         | 1,443,122                                | 2,269,084                                |
| Legal and professional fees                    | 13,193,938                               | 11,233,780                               |
| Directors' fees                                | 4,951,797                                | 3,855,824                                |
| Honorarium for management committee meetings   | 95,000                                   | -                                        |
| Membership fees                                | 1,788,449                                | 1,737,458                                |
| Payments to auditors (See Note 2.29)           | 5,475,636                                | 3,948,093                                |
| Brokerage and commission                       | 15,177,284                               | 16,820,918                               |
| Advertisement and marketing expenses           | 4,579,267                                | 4,353,471                                |
| Office expenses                                | 2,465,209                                | 965,084                                  |
| Business promotion                             | 1,554,534                                | 1,313,372                                |
| Loss on sale of fixed assets / written off     | -                                        | 671,907                                  |
| Preliminary expenses                           | -                                        | 121,390                                  |
| Provision for bad debts                        | -                                        | 975,482                                  |
| Bad debt written off                           | 467,206                                  | -                                        |
| Expenditure on Corporate Social Responsibility | 1,100,000                                | 2,100,000                                |
| Site Expenses                                  | 3,120,915                                | 1,806,526                                |
| Networking and Website charges                 | 370,701                                  | -                                        |
| Compensation to buyers                         | 23,278,616                               | 24,908,964                               |
| Service tax input credit not recoverable       | 19,716,480                               | -                                        |
| Charges under subvention scheme                | 7,017,350                                | -                                        |
| Loan Written Off                               | -                                        | 4,500,000                                |
| Less : Provision held                          | -                                        | (4,500,000)                              |
|                                                | -                                        | -                                        |
| Miscellaneous expenditure                      | 3,973,547                                | 3,951,687                                |
|                                                | 138,788,513                              | 108,520,781                              |
| Less: Transferred to inventories               | (52,346,892)                             | (30,407,831)                             |
| <b>Total</b>                                   | <b>86,441,621</b>                        | <b>78,112,950</b>                        |

### 2.27 Contingent liabilities and commitments not provided for

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at 31st March, 2016<br>₹ | As at 31st March, 2015<br>₹ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>(i) Contingent liabilities:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          |                             |                             |
| <b>(a) Claims against the Group not acknowledged as debt</b>                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                             |
| - Disputed income-tax matters                                                                                                                                                                                                                                                                                                                                                                                                                                               | 23,240,078                  | 13,101,449                  |
| - Disputed wealth-tax matter in appeal                                                                                                                                                                                                                                                                                                                                                                                                                                      | 3,250,246                   | 3,250,246                   |
| - Disputed property tax levied by Mumbai Municipal Corporation (MMC) based on enhanced ratable value for the period 1st April 2007 to 31st March 2010 in respect of the Company's Investment Property in Atlanta Building, Nariman Point (* net of provision referred to in Note 2.38)                                                                                                                                                                                      | 19,869,855                  | 24,869,855                  |
| - Claims filed with District Consumer Dispute Redressal Forum**                                                                                                                                                                                                                                                                                                                                                                                                             | 594,510                     | 594,510                     |
| In respect of above items, outflow of resources would depend upon the outcome of the appeal/petition.                                                                                                                                                                                                                                                                                                                                                                       |                             |                             |
| ** Claims made by Insurance policy holders against the Insurer wherein IITIBRMPL was made a party to the dispute being brokers for the policies sold.                                                                                                                                                                                                                                                                                                                       |                             |                             |
| Few buyers of residential units have lodged a complaint during the year with the National Consumer Disputes Redressal Commission (NCDRC), alleging failure by IITLPL to comply with the terms of the Builder Buyer Agreement, and are seeking compensation. The matter has been listed for admission/hearing/directions, by NCDRC, in May, 2016. IITLPL perceives the said complaint as misconceived and not tenable, and does not foresee any financial impact, as of now. |                             |                             |
| Also refer note 2.34 (i)(b)(a)(i)                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                             |
| <b>(b) Guarantee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |                             |
| - Guarantees given by the Company to banks on behalf of associate company i.e WRL*                                                                                                                                                                                                                                                                                                                                                                                          | 253,400,000                 | 253,400,000                 |
| * The Company has received counter-guarantees from other parties amounting to ₹ 190,050,000 (previous year ₹ 190,050,000) against the aforesaid guarantees given by the Company to the banks. The outstanding amount of loan availed by the WRL as at 31st March 2016 is ₹ 104,543,021 (as at 31st March 2015 ₹ 142,563,425). Also refer note 2.34 (i)(b)(a)(ii)                                                                                                            |                             |                             |
| <b>(c) Insurance claims disputed by FGILICL</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |                             |
| Also refer note 2.34 (i)(b)(a)(iii)                                                                                                                                                                                                                                                                                                                                                                                                                                         |                             |                             |
| <b>(ii) Commitments :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |                             |
| <b>Capital Commitments :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                             |
| Also refer note 2.34 (i)(b)(b)                                                                                                                                                                                                                                                                                                                                                                                                                                              |                             |                             |
| <b>Other Commitments :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                             |                             |
| Non-cancellable contractual commitments - See Note 2.28                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |                             |
| Also refer note 2.34 (i)(b)(c)(i) & (ii)                                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |                             |
| <b>(iii) Encumbrance on Assets:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                             |                             |
| Also refer note 2.34 (i)(b)(d)                                                                                                                                                                                                                                                                                                                                                                                                                                              |                             |                             |

**2.28** The Group has taken office premises and residential premises on operating lease. There are no restrictions imposed by the lease arrangements. There are no sub leases. The lease rental expense recognised in the Consolidated Statement of Profit and Loss for the year is ₹ 55,760,548 \* (previous year: ₹ 83,313,179). The future minimum lease payments under non-cancellable operating leases for each of the following periods:

| Particulars                                       | As at 31st March, 2016<br>₹ | As at 31st March, 2015<br>₹ |
|---------------------------------------------------|-----------------------------|-----------------------------|
| Not later than one year                           | 33,112,200                  | 30,697,150                  |
| Later than one year but not later than five years | 63,302,200                  | 83,920,500                  |
| Later than five years                             | 1,397,925                   | 6,045,075                   |
| <b>Total</b>                                      | <b>97,812,325</b>           | <b>120,662,725</b>          |

\* This amount includes Rent of ₹ 48,501,472 (previous year ₹ 76,161,528) pertaining to FGILICL which is included in 'Other expense pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.29 Payments to auditors

| Particulars               | As at<br>31st March,<br>2016 | As at<br>31st March,<br>2015 |
|---------------------------|------------------------------|------------------------------|
|                           | ₹                            | ₹                            |
| For statutory audit       | 2,951,869                    | 2,444,313                    |
| For other services        | 2,609,854                    | 1,994,250                    |
| Reimbursement of expenses | 15,609                       | 64,500                       |
| Service tax               | 716,080                      | 203,630                      |
| <b>Total</b>              | <b>6,293,411#</b>            | <b>4,706,693#</b>            |

# This amount includes payment to auditors of ₹ 8,17,775 (previous year ₹ 758,600) pertaining to FGILICL which is included in Other expense pertaining to Insurance Business in the Consolidated Statement of Profit and Loss.

**2.30** 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. Values used in calculating earnings per share are as under:

| Particulars                                                                                                | Year ended<br>31st March,<br>2016 | Year ended<br>31st March,<br>2015 |
|------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                            | ₹                                 | ₹                                 |
| (a) Profit/(loss) for the year                                                                             | (75,828,983)                      | 15,379,946                        |
| (b) Less: Adjustment for dividend and dividend distribution tax on CCPS                                    | -                                 | 4,748                             |
| (c) Net amount available for equity shareholders                                                           | (75,828,983)                      | 15,375,198                        |
| (d) Weighted average number of equity shares used in computing Basic and Diluted Earnings per share (Nos.) | 22,547,550                        | 22,543,605                        |
| (e) Basic and Diluted Earnings per share (Face value ₹ 10/-)                                               | (3.36)                            | 0.68                              |

### 2.31 Related party disclosures:

(i) Names of related parties and nature of relationship:

|                                                                     |                                                                                                                                                              |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Joint Ventures :                                                    | IITL Nimbus The Hyde Park Noida<br>IITL Nimbus The Express Park View<br>IITL Nimbus The Palm Village<br>Future Generali India Life Insurance Company Limited |
| Associate company:                                                  | World Resort Limited                                                                                                                                         |
| Entities over which the Company can exercise significant influence: | MRG Hotels Private Limited                                                                                                                                   |
| Companies in which directors can exercise significant influence:    | Nimbus Projects Limited<br>Nimbus India Limited                                                                                                              |
| Key management personnel:<br>(Of the Holding Company)               | Dr. B. Samal, Executive Chairman                                                                                                                             |

### 2.31 Related party disclosures: (Contd.)

(ii) Transactions /balances outstanding with related parties :

(a) Key management personnel:

| Nature of transactions            | ₹                               |
|-----------------------------------|---------------------------------|
| Remuneration paid to Dr. B. Samal | <b>4,713,676</b><br>(4,524,000) |

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

(b) Other related parties:

| Sr. No.                                   | Nature of transactions                               | Joint Ventures             | Entities under significant influence | Associate Company |
|-------------------------------------------|------------------------------------------------------|----------------------------|--------------------------------------|-------------------|
|                                           |                                                      | ₹                          | ₹                                    | ₹                 |
| <b>(I) Transactions during the year :</b> |                                                      |                            |                                      |                   |
| (i)                                       | Loans taken                                          |                            |                                      |                   |
|                                           | - Nimbus India Limited                               |                            | 205,125,000<br>(199,000,000)         |                   |
| (ii)                                      | Repayment of loan taken                              |                            | 145,555,000<br>(9,000,000)           |                   |
|                                           | - Nimbus India Limited                               |                            |                                      |                   |
| (iii)                                     | Loans given                                          |                            |                                      |                   |
|                                           | - IITL Nimbus The Express Park View (Other Venturer) | 4,200,000<br>(-)           |                                      |                   |
|                                           | - IITL Nimbus The Palm Village (Other Venturer)      | 10,500,000<br>(-)          |                                      |                   |
|                                           | - IITL Nimbus The Hyde Park Noida (Other Venturer)   | 20,000,000<br>(22,000,000) |                                      |                   |
|                                           | - World Resort Limited                               |                            |                                      | (10,000,000)      |
|                                           | - MRG Hotels Private Limited                         |                            | 15,000,000<br>(15,000,000)           |                   |
| (iv)                                      | Repayment of loans given                             |                            |                                      |                   |
|                                           | -IITL Nimbus The Express Park View (Other Venturer)  | 1,844,133<br>(-)           |                                      |                   |
|                                           | - IITL Nimbus The Palm Village (Other Venturer)      | 72,644,107<br>(17,918,393) |                                      |                   |
|                                           | - IITL Nimbus The Hyde Park Noida (Other Venturer)   | 28,602,518<br>(11,000,000) |                                      |                   |
|                                           | -World Resorts Limited                               |                            |                                      | 15,000,000<br>(-) |
| (v)                                       | Interest income                                      |                            |                                      |                   |
|                                           | - IITL Nimbus The Express Park View (Other Venturer) | 19,052,239<br>(17,968,817) |                                      |                   |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 2.31 Related party disclosures: (Contd.)

#### (b) Other related parties: (contd..)

| Sr. No.                          | Nature of transactions                                                        | Joint Ventures             | Entities under significant influence | Associate Company        |
|----------------------------------|-------------------------------------------------------------------------------|----------------------------|--------------------------------------|--------------------------|
|                                  |                                                                               | ₹                          | ₹                                    | ₹                        |
|                                  | - IITL Nimbus The Palm Village (Other Venturer)                               | 3,053,437<br>(12,422,866)  |                                      |                          |
|                                  | - IITL Nimbus The Hyde Park Noida (Other Venturer)                            | 12,654,175<br>(13,601,057) |                                      |                          |
|                                  | - World Resort Limited                                                        |                            |                                      | 2,968,035<br>(3,384,071) |
|                                  | - MRG Hotels Private Limited                                                  |                            | 5,883,471<br>(4,093,375)             |                          |
| (vi)                             | Sale of fixed assets (Vehicle)                                                |                            |                                      |                          |
|                                  | - World Resorts Limited                                                       |                            |                                      | 440,000<br>(-)           |
| (vii)                            | Brokerage income                                                              |                            |                                      |                          |
|                                  | - Future Generali India Life Insurance Company Limited                        | 6,049,024<br>(12,017,318)  |                                      |                          |
| (viii)                           | Finance cost                                                                  |                            |                                      |                          |
|                                  | - Nimbus India Limited                                                        |                            | 29,639,221<br>(6,428,707)            |                          |
| (ix)                             | Rent paid                                                                     |                            |                                      |                          |
|                                  | - Nimbus Projects Limited                                                     |                            | 2,393,139<br>(1,409,861)             |                          |
| (x)                              | Security deposit placed                                                       |                            |                                      |                          |
|                                  | - Nimbus Projects Limited                                                     |                            | 47,500<br>(45,000)                   |                          |
| (xi)                             | Purchase of equity shares of Golden Palms Facility Management Private Limited |                            |                                      |                          |
|                                  | - Nimbus Projects Limited                                                     |                            | 500,000<br>(-)                       |                          |
| <b>(II) Balances at year-end</b> |                                                                               |                            |                                      |                          |
| (i)                              | Borrowings at year-end                                                        |                            |                                      |                          |
|                                  | - Nimbus India Limited                                                        |                            | 249,570,000<br>(189,602,355)         |                          |
| (ii)                             | Interest accrued / other payables at year-end                                 |                            |                                      |                          |
|                                  | - Nimbus India Limited                                                        |                            | 8,331,123<br>(5,853,100)             |                          |
|                                  | - Nimbus Projects Limited                                                     |                            | -<br>(16,647)                        |                          |

| Sr. No. | Nature of transactions                                                    | Joint Ventures               | Entities under significant influence | Associate Company          |
|---------|---------------------------------------------------------------------------|------------------------------|--------------------------------------|----------------------------|
|         |                                                                           | ₹                            | ₹                                    | ₹                          |
| (iii)   | Amount receivable at year-end                                             |                              |                                      |                            |
|         | - Nimbus Projects Limited (security deposit)                              |                              | -<br>(560,500)                       |                            |
|         | - Future Generali India Life Insurance Company Limited (Other Venturers)* | 337,355<br>(449,065)         |                                      |                            |
| (iv)    | Loans outstanding as at year-end:                                         |                              |                                      |                            |
|         | - IITL Nimbus The Express Park View (Other Venturer)                      | 121,793,367<br>(119,437,500) |                                      |                            |
|         | - IITL Nimbus The Palm Village (Other Venturer)                           | 10,500,000<br>(72,644,107)   |                                      |                            |
|         | - IITL Nimbus The Hyde Park Noida (Other Venturer)                        | 76,397,482<br>(93,500,000)   |                                      |                            |
|         | - World Resorts Limited                                                   |                              |                                      | 15,000,000<br>(30,000,000) |
|         | - MRG Hotels Private Limited                                              |                              | 45,000,000<br>(30,000,000)           |                            |
| (v)     | Interest accrued and due as at year-end:                                  |                              |                                      |                            |
|         | - IITL Nimbus The Express Park View (Other Venturer)                      | 8,418,476<br>(3,971,304)     |                                      |                            |
|         | - IITL Nimbus The Palm Village (Other Venturer)                           | 254,452<br>(2,414,935)       |                                      |                            |
|         | - IITL Nimbus The Hyde Park Noida (Other Venturer)                        | 2,708,151<br>(3,246,655)     |                                      |                            |
|         | - World Resorts Limited                                                   |                              |                                      | -<br>(1,016,964)           |
|         | - MRG Hotels Private Limited                                              |                              | -<br>(994,488)                       |                            |
| (vi)    | Amount Receivable at year-end (other venturer):                           |                              |                                      |                            |
|         | - IITL Nimbus The Express Park View                                       | 1,000,000<br>(-)             |                                      |                            |
|         | - IITL Nimbus The Palm Village                                            | 10,988,125<br>(-)            |                                      |                            |

Note: Above disclosures exclude related party transactions in nature of reimbursement.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**2.32 Employee Benefits (contd..)**
**(a) Defined Contribution Plan**

Contribution to defined contribution plan, recognised in the Consolidated Statement of Profit and Loss under 'Contribution to provident and other funds' in note 2.24 for the year are as under, ( ₹ 14,695,386 (previous year ₹.11,191,275) included in 'Commission and operating expenses pertaining to insurance business' in the Consolidated Statement of Profit and Loss) :

| Particulars                                                       | 31st March, 2016 | 31st March, 2015 |
|-------------------------------------------------------------------|------------------|------------------|
|                                                                   | ₹                | ₹                |
| Employer's contribution to Regional Provident Fund Commissioner   | 13,556,584       | 12,399,242       |
| Employer's contribution to Family Pension Fund                    | 1,297,540        | 595,467          |
| Employer's contribution to Employees' State Insurance Corporation | 331,141          | 269,695          |
| Employer's contribution to Superannuation Scheme                  | 1,731,600        | 1,140,750        |

| (b) Defined Benefit Plan | Gratuity (funded)<br>31st March, 2016 | Gratuity (funded)<br>31st March, 2015 |
|--------------------------|---------------------------------------|---------------------------------------|
|                          | ₹                                     | ₹                                     |

|    |                                                                                           |                   |                   |
|----|-------------------------------------------------------------------------------------------|-------------------|-------------------|
| i  | Reconciliation of opening and closing balances of Defined Benefit Obligation              |                   |                   |
|    | Present value of Defined Benefit Obligation as at the beginning of the year               | 10,492,451        | 12,038,375        |
|    | Equitable interest liability assumed by the company on transfer of an employee from group | -                 | 18,417            |
|    | Interest Cost                                                                             | 724,432           | 1,005,377         |
|    | Current Service Cost                                                                      | 1,841,517         | 1,785,124         |
|    | Benefits paid                                                                             | (2,996,784)       | (3,116,467)       |
|    | Net Actuarial (Gain)/Loss                                                                 | 1,572,863         | (1,238,375)       |
|    | Present value of Defined Benefit Obligation as at the end of the year                     | <b>11,634,479</b> | <b>10,492,451</b> |
| ii | Reconciliation of fair value of Plan Assets                                               |                   |                   |
|    | Fair value of Plan Assets as at the beginning of the year                                 | 8,256,786         | 10,198,591        |
|    | Expected return on Plan Assets                                                            | 515,477           | 748,848           |

| (b) Defined Benefit Plan | Gratuity (funded)<br>31st March, 2016 | Gratuity (funded)<br>31st March, 2015 |
|--------------------------|---------------------------------------|---------------------------------------|
|                          | ₹                                     | ₹                                     |

|                                                     |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| Net Actuarial Gain / (Loss)                         | 149,552          | -                |
| Employer's Contribution                             | 2,649,819        | 492,454          |
| Benefits paid                                       | (2,996,784)      | (3,183,107)      |
| Fair value of Plan Assets as at the end of the year | <b>8,574,850</b> | <b>8,256,786</b> |

The Group expects to contribute ₹879,703 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                                              | 2.10%  | 2.14%  |
| Funds maintained with Life Insurance Corporation of India | 97.90% | 97.86% |

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                                                                                                                                                                                                                                                                                                                                 | (11,634,479)       | (10,492,451)       |
|     | Fair value of Plan Assets                                                                                                                                                                                                                                                                                                                                                   | 8,574,850          | 8,256,786          |
|     | Net assets / (liabilities) recognised in the Balance Sheet                                                                                                                                                                                                                                                                                                                  | <b>(3,059,629)</b> | <b>(2,235,665)</b> |
| iv  | Components of Employer's Expenses                                                                                                                                                                                                                                                                                                                                           |                    |                    |
|     | Current Service Cost                                                                                                                                                                                                                                                                                                                                                        | 1,841,517          | 1,785,124          |
|     | Interest Cost                                                                                                                                                                                                                                                                                                                                                               | 724,432            | 1,005,377          |
|     | Expected return on Plan Assets                                                                                                                                                                                                                                                                                                                                              | (515,477)          | (748,848)          |
|     | Net Actuarial Loss/(Gain)                                                                                                                                                                                                                                                                                                                                                   | 1,423,311          | (1,238,375)        |
|     | Total expense recognised in the Consolidated Statement of Profit and Loss in Note 2.24 under: 'Contribution to provident and other funds' (net of reversal of ₹ Nil (previous year ₹ 199,646)) [₹ 2,475,528 (previous year ₹ 1,002,825) included in 'Commission and Operating expenses pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss]. | <b>3,473,783</b>   | <b>803,278</b>     |
|     | Actual return on Plan Assets                                                                                                                                                                                                                                                                                                                                                | <b>515,477</b>     | <b>748,848</b>     |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

| (b) Defined Benefit Plan               | Gratuity (funded)                                 | Gratuity (funded) |
|----------------------------------------|---------------------------------------------------|-------------------|
|                                        | 31st March, 2016                                  | 31st March, 2015  |
|                                        | ₹                                                 | ₹                 |
| v Actuarial Assumptions                |                                                   |                   |
| Mortality Table                        | Indian Assured Lives Mortality (2006-08) Ultimate |                   |
| Discount rate                          | 7.30 - 8.00 %                                     | 7.95 - 8.00 %     |
| Expected rate of return on Plan Assets | 6.48 - 9.00 %                                     | 8.50 - 9.96 %     |
| Salary escalation                      | 5.00 - 7.00 %                                     | 5.00 - 7.00 %     |

- 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 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, 2016 | 31st March, 2015 | 31st March, 2014 | 31st March, 2013 | 31st March, 2012 |
|    |                                             | ₹                | ₹                | ₹                | ₹                | ₹                |
| 1. | Present Value of Defined Benefit Obligation | (11,634,479)     | 10,492,451       | 12,038,375       | 3,687,170        | 2,157,198        |
| 2. | Fair Value of Plan Assets                   | 8,574,850        | 8,256,786        | 10,198,591       | 3,148,472        | 1,779,851        |
| 3. | Funded Status [Surplus / (Deficit)]         | (3,059,629)      | (2,235,665)      | (1,839,784)      | (538,698)        | (377,347)        |
| 4. | Experience adjustment arising on:           |                  |                  |                  |                  |                  |
| a. | Plan Liabilities (Gain)/Loss                | 1,487,463        | (353,786)        | 2,036,694        | 886,547          | (43,355)         |
| b. | Plan Assets (Gain)/Loss                     | (53,002)         | 308,364          | 34,965           | 16,631           | 35,506           |

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

**2.33 Segment Information :**

Primary Segment - Business Segment

₹

|                                                                               | 2015-16               |                   |                        |                               |                      |          |                   |                      |
|-------------------------------------------------------------------------------|-----------------------|-------------------|------------------------|-------------------------------|----------------------|----------|-------------------|----------------------|
|                                                                               | Investment activities | Insurance Broking | Real Estate activities | Investment Brokerage Services | Insurance Activities | Others   | Eliminations      | Total                |
| <b>A. REVENUE</b>                                                             |                       |                   |                        |                               |                      |          |                   |                      |
| 1 External Revenue                                                            | 127,145,314           | 8,044,335         | 1,315,941,686          | 24,748                        | 1,335,411,330        | -        | -                 | 2,786,567,413        |
| 2 Inter-segment revenue                                                       | 44,225,738            | 1,756,168         | -                      | 68,775                        | -                    | -        | 46,050,681        | -                    |
| <b>Segment Revenue</b>                                                        | <b>171,371,052</b>    | <b>9,800,503</b>  | <b>1,315,941,686</b>   | <b>93,523</b>                 | <b>1,335,411,330</b> | <b>-</b> | <b>46,050,681</b> | <b>2,786,567,413</b> |
| <b>B. RESULTS</b>                                                             |                       |                   |                        |                               |                      |          |                   |                      |
| 1 Segment result                                                              | 25,235,354            | (15,036,717)      | 26,180,567             | (1,619,441)                   | (477,638,370)        | (33,582) | -                 | (442,912,189)        |
| 2 Interest expense                                                            |                       |                   |                        |                               |                      |          |                   | 63,830,946           |
| 3 Exceptional item                                                            |                       |                   |                        |                               |                      |          |                   | -                    |
| 4 Unallocable Income net of Unallocable Expense                               |                       |                   |                        |                               |                      |          |                   | 415,519,307          |
| 5 Profit before tax                                                           |                       |                   |                        |                               |                      |          |                   | (91,223,828)         |
| 6 Provision for taxation                                                      |                       |                   |                        |                               |                      |          |                   | (5,056,294)          |
| 7 Profit after tax (before adjusting minority interest)                       |                       |                   |                        |                               |                      |          |                   | (96,280,122)         |
| 8 Net Profit attributable to minority interest                                |                       |                   |                        |                               |                      |          |                   | (24,215,700)         |
| 9 Profit after tax (after adjusting minority interest)                        |                       |                   |                        |                               |                      |          |                   | (72,064,422)         |
| 10 Share of loss of associate for the year                                    |                       |                   |                        |                               |                      |          |                   | (3,764,561)          |
| 11 Profit after tax (after adjusting share of loss of associate)              |                       |                   |                        |                               |                      |          |                   | (75,828,983)         |
| <b>C. OTHER INFORMATION</b>                                                   |                       |                   |                        |                               |                      |          |                   |                      |
| 1 Segment assets                                                              | 841,040,708           | 90,824,734        | 4,199,761,160          | 29,098,600                    | 436,958,567          | 12,079   | -                 | 5,597,695,848        |
| 2 Unallocated Assets                                                          |                       |                   |                        |                               |                      |          |                   | 9,159,808,034        |
| 3 Total assets                                                                |                       |                   |                        |                               |                      |          |                   | 14,757,503,882       |
| 4 Segment liabilities                                                         | 12,235,287            | 1,726,109         | 3,639,301,316          | 339,863                       | 5,923,005,370        |          | -                 | 9,576,607,944        |
| 5 Unallocated liabilities                                                     |                       |                   |                        |                               |                      |          |                   | 38,529,458           |
| 6 Total liabilities                                                           |                       |                   |                        |                               |                      |          |                   | 9,615,137,402        |
| 7 Cost incurred during the period to acquire the Segment assets               | 406,049               | 26,970            | 2,150,016              | -                             | 47,839,094           | -        | -                 | 50,422,129           |
| 8 Depreciation and amortisation expenses (to the extent allocable to segment) | 1,396,188             | 4,734,099         | 757,860                | -                             | 19,604,584           | -        | -                 | 26,492,731           |
| 9 Non cash Expenses other than depreciation/ amortisation                     | 10,288,921            | -                 | -                      | -                             | -                    | -        | -                 | 10,288,921           |

Note:

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

Type of services in each business segment:

Investment activities : Activities related to Investments Business.

Insurance Broking : Activities related to Insurance Broking.

Real Estate activities : Real Estate development and related activities.

Investment Brokerage services : Activities related to investments broking.

Insurance activities : Life Insurance Business.

Others : Represents Marketing Management.

**2.33 Segment Information (contd..)**

Primary Segment - Business Segment (contd..)

₹

|                                                                               | 2014-2015             |                   |                        |                               |                      |          |                   | Total                |
|-------------------------------------------------------------------------------|-----------------------|-------------------|------------------------|-------------------------------|----------------------|----------|-------------------|----------------------|
|                                                                               | Investment activities | Insurance Broking | Real Estate activities | Investment Brokerage Services | Insurance Activities | Others   | Eliminations      |                      |
| <b>A. REVENUE</b>                                                             |                       |                   |                        |                               |                      |          |                   |                      |
| 1 External Revenue                                                            | 58,444,620            | 16,255,325        | 992,372,771            | -                             | 1,407,066,078        | -        | -                 | 2,474,138,794        |
| 2 Inter-segment revenue                                                       | 55,440,812            | 3,488,899         | -                      | 41,775                        | -                    | -        | 58,971,486        | -                    |
| <b>Segment Revenue</b>                                                        | <b>113,885,432</b>    | <b>19,744,224</b> | <b>992,372,771</b>     | <b>41,775</b>                 | <b>1,407,066,078</b> | <b>-</b> | <b>58,971,486</b> | <b>2,474,138,794</b> |
| <b>B. RESULTS</b>                                                             |                       |                   |                        |                               |                      |          |                   |                      |
| 1 Segment result                                                              | (11,434,094)          | (16,379,751)      | 68,724,224             | (1,632,737)                   | (886,388,357)        | (92,982) | -                 | (847,203,698)        |
| 2 Interest expense                                                            |                       |                   |                        |                               |                      |          |                   | 5,767,528            |
| 3 Exceptional item                                                            |                       |                   |                        |                               |                      |          |                   | -                    |
| 4 Unallocable Income net of Unallocable Expense                               |                       |                   |                        |                               |                      |          |                   | 920,582,618          |
| 5 Profit before tax                                                           |                       |                   |                        |                               |                      |          |                   | 67,611,392           |
| 6 Provision for taxation                                                      |                       |                   |                        |                               |                      |          |                   | (23,877,087)         |
| 7 Profit after tax (before adjusting minority interest)                       |                       |                   |                        |                               |                      |          |                   | 43,734,305           |
| 8 Net Profit attributable to minority interest                                |                       |                   |                        |                               |                      |          |                   | (11,467,155)         |
| 9 Profit after tax (after adjusting minority interest)                        |                       |                   |                        |                               |                      |          |                   | 32,267,150           |
| 10 Share of loss of associate for the year                                    |                       |                   |                        |                               |                      |          |                   | (16,887,204)         |
| 11 Profit after tax (after adjusting share of loss of associate)              |                       |                   |                        |                               |                      |          |                   | 15,379,946           |
| <b>C. OTHER INFORMATION</b>                                                   |                       |                   |                        |                               |                      |          |                   |                      |
| 1 Segment assets                                                              | 981,763,353           | 96,495,100        | 3,870,239,924          | 29,601,534                    | 264,417,092          | 15,474   | -                 | 5,242,532,477        |
| 2 Unallocated Assets                                                          |                       |                   |                        |                               |                      |          |                   | 9,275,476,518        |
| 3 Total assets                                                                |                       |                   |                        |                               |                      |          |                   | 14,518,008,995       |
| 4 Segment liabilities                                                         | 10,454,686            | 41,885,484        | 3,384,863,886          | 293,781                       | 5,784,582,735        | 61,281   | -                 | 9,222,141,853        |
| 5 Unallocated liabilities                                                     |                       |                   |                        |                               |                      |          |                   | 38,216,179           |
| 6 Total liabilities                                                           |                       |                   |                        |                               |                      |          |                   | 9,260,358,032        |
| 7 Cost incurred during the period to acquire the Segment assets               | 3,712,882             | 50,088            | 503,396                | -                             | 9,063,512            | -        | -                 | 13,329,878           |
| 8 Depreciation and amortisation expenses (to the extent allocable to segment) | 2,881,444             | 5,786,943         | 928,580                | -                             | 5,849,000            | -        | -                 | 15,445,967           |
| 9 Non cash Expenses other than depreciation/ amortisation                     | 28,127,405            | -                 | 975,482                | -                             | -                    | -        | -                 | 29,102,887           |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**2.34** (i) (a) 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 year ended 31st March, 2016:

(₹)

| Particulars                                    | 31st March, 2016 | 31st March, 2015 |
|------------------------------------------------|------------------|------------------|
| <b>RESERVES AND SURPLUS</b>                    | (135,435,970)    | (55,987,041)     |
| <b>NON-CURRENT LIABILITIES</b>                 |                  |                  |
| Long-term borrowings                           | 128,667,808      | -                |
| Other long term liabilities                    | 1,048,488,313    | 1,045,177,066    |
| Policy Liabilities (Policyholder's Fund)       | 5,533,869,473    | 5,475,720,249    |
| Long-term provisions                           | 21,120,632       | 19,763,123       |
| <b>CURRENT LIABILITIES</b>                     |                  |                  |
| Short term borrowings                          | 629,590,079      | 513,288,120      |
| Trade payable                                  | 1,141,419,334    | 764,075,608      |
| Other current liabilities                      |                  |                  |
| -Policy Liabilities (Policyholder's Fund)      | 167,268,515      | 144,447,334      |
| -Other                                         | 1,024,887,265    | 1,425,553,266    |
| Short term provisions                          | 14,030,570       | 13,430,251       |
| <b>NON-CURRENT ASSETS</b>                      |                  |                  |
| Fixed Assets (Net Block)                       |                  |                  |
| (i) Tangible assets                            | 30,113,314       | 6,520,717        |
| (ii) Intangible assets                         | 12,876,128       | 7,030,210        |
| (iii) Capital work in progress                 | 2,182,785        | 232,752          |
| Non-current investments                        | 5,457,456,659    | 5,680,385,973    |
| Long term loan and advances                    | 272,417          | 195,115          |
| Deferred tax assets (net)                      | 35,435,827       | 49,966,768       |
| Other non-current assets                       | 2,032,667        | 1,935,846        |
| <b>CURRENT ASSETS</b>                          |                  |                  |
| Current investments                            | 425,850,474      | 227,026,638      |
| Inventories                                    | 3,571,421,131    | 3,198,644,560    |
| Trade receivables                              | 297,039,601      | 350,783,037      |
| Cash and bank balance                          | 171,724,365      | 200,039,010      |
| Short-term loans and advances                  | 254,595,431      | 239,408,131      |
| Other current assets                           | 308,736,013      | 182,325,175      |
| <b>INCOME</b>                                  |                  |                  |
| Sale of flats                                  | 1,285,552,053    | 798,195,756      |
| Premium from Insurance Business                | 1,280,888,509    | 1,322,611,405    |
| Other operating income                         | 7,502,051        | 1,381,150        |
| Other Operating Income from Insurance Business | 54,522,822       | 84,454,673       |
| Other Income from Insurance Business           | 475,307,771      | 892,100,480      |
| Interest income                                | 3,192,458        | 17,560,041       |
| Dividend income on current investments         | 103,686          | -                |
| Net profit on sale of current investments      | 137,732          | -                |
| Other Income                                   | 5,669,495        | 2,898,976        |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(₹)

| Particulars                                                        | 31st March, 2016 | 31st March, 2015 |
|--------------------------------------------------------------------|------------------|------------------|
| <b>EXPENSES</b>                                                    |                  |                  |
| Cost of sales                                                      | 1,245,530,324    | 752,827,067      |
| Employee benefits expense                                          | 10,246,074       | 7,603,795        |
| Finance costs                                                      | 20,068,816       | 13,234           |
| Benefits paid pertaining to Insurance Business (Net)               | 956,716,820      | 1,005,184,451    |
| Commission and Operating expenses pertaining to Insurance Business | 382,048,226      | 322,192,978      |
| Other expenses pertaining to Insurance Business                    | 552,238,464      | 969,565,905      |
| Depreciation                                                       | 585,655          | 362,452          |
| Other expenses                                                     | 38,643,795       | 26,934,793       |
| Provision for taxation                                             | 1,977,055        | 4,899,223        |

**2.34 (i) (b) Other Information**

| Particulars                                                                                                                                                                                                                                                                                                                                        | 31st March, 2016 | 31st March, 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Contingent liabilities and commitments not provided for                                                                                                                                                                                                                                                                                            |                  |                  |
| (a) Contingent liabilities:                                                                                                                                                                                                                                                                                                                        |                  |                  |
| (i) Claims against the company not acknowledged as debt                                                                                                                                                                                                                                                                                            |                  |                  |
| - Disputed income-tax matters in appeal                                                                                                                                                                                                                                                                                                            | 3,653,226        | 3,398,827        |
| - Compensation for delay in project                                                                                                                                                                                                                                                                                                                | 4,851,192        | 4,666,654        |
| - Interest on refund to customers                                                                                                                                                                                                                                                                                                                  | 1,113,400        | -                |
| (ii) Guarantee                                                                                                                                                                                                                                                                                                                                     |                  |                  |
| - Guarantees issued by Bank                                                                                                                                                                                                                                                                                                                        | 1,450,000        | 1,450,000        |
| (iii) Insurance claims disputed by FGILICL, to the extent not provided/reserved                                                                                                                                                                                                                                                                    | 1,832,850        | 1,520,550        |
| (b) Capital Commitment :                                                                                                                                                                                                                                                                                                                           |                  |                  |
| Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances).                                                                                                                                                                                                                       | 6,092,775        | 188,775          |
| (c) Other Commitments :                                                                                                                                                                                                                                                                                                                            |                  |                  |
| (i) In case of Joint venture entities viz. IITL-Nimbus The Express Park View and IITL-Nimbus The Palm Village, State Level Environment Impact Assessment Authority, Uttar Pradesh, Lucknow vide their letter have stipulated to make budgetary provision amounting to 2% of total project cost towards Environment Corporate Responsibility (ECR). |                  |                  |
| (ii) Non-cancellable contractual commitments - Included in Note 2.28                                                                                                                                                                                                                                                                               | 92,486,025       | 119,901,825      |
| (d) Encumbrance on Assets:                                                                                                                                                                                                                                                                                                                         |                  |                  |
| There are no encumbrances on the assets of the Group within or outside India as at the Balance Sheet date, except in FGILICL where 7.95% Government of India, 2032 amounting to ₹ 8,838,225 (Previous Year ₹ 8,734,275) has been kept as collateral security with "Collateralized Borrowing and Lending Obligation (CBLO)".                        |                  |                  |

**(ii) Investment in associate:**

The break-up of Investment in associates as at 31st March, 2016 is as under:

| Particulars                                                                                      | GPFMPL           |                  | WRL              |                  |
|--------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                                                  | 31st March, 2016 | 31st March, 2015 | 31st March, 2016 | 31st March, 2015 |
| (i) Number of equity shares (Nos.)                                                               | 50,000           | -                | 13,018,125       | 13,018,125       |
| (ii) Percentage holding (%)                                                                      | 50               | -                | 25               | 25               |
| (iii) Cost of Investment (Equity shares)                                                         | 500,000          | -                | 155,181,250      | 155,181,250      |
| Goodwill/(Capital Reserve) Included in cost of Investment above                                  | (75,408)         | -                | 45,086,997       | 45,086,997       |
| (iv) Share in accumulated profit/(loss) net of dividend received as at the beginning of the year | -                | -                | (38,357,630)     | (21,470,426)     |
| Share of profit/(loss) for the year                                                              | 150,816          | -                | (3,915,377)      | (16,887,204)     |
| Less: Dividend received during the year                                                          | -                | -                | -                | -                |
| (v) Share of accumulated profit/(loss) net of dividend received                                  | 150,816          | -                | (42,273,007)     | (38,357,630)     |
| (vi) Carrying cost                                                                               | 650,816          | -                | 112,908,243      | 116,823,620      |

**2.35** The Company had entered into Share Purchase Agreement with Pantaloon Retail India Limited (now known as Future Retail Limited) to acquire 22.5% of its equity stake in Future Generali India Life Insurance Company Ltd (FGILICL). Pursuant to approval received from CCI, RBI & IRDA the transaction was consummated on 17th December 2013 for a total consideration of ₹ 340 crores. FGILICL became a joint venture of the Group.

The management views the investment in positive light as insurance industry plays a crucial role in the growth and development of the overall economy. There is a huge potential to be tapped across India for life insurance. Life Insurance Industry has a long gestation period and the Company views this as a long term investment. Having regard to the projections and future business plan provided by FGILICL to the Company and based on management's assessment of the same, the management of the Company is of the view that, although the net-worth of FGILICL as at 31st March 2016 has substantially eroded, there is no impairment as at 31st March, 2016, in the value of Goodwill on consolidation arising on such acquisition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 2.36** Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Group other than INHP, INEPV and INPV has, effective 1st April 2014, reviewed and revised the estimated useful life of its fixed assets, in accordance with the provisions of Schedule II to the Act. The carrying amount of the assets as on that date has been depreciated over the remaining useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation for the previous year was higher by ₹ 507,659. Further, an amount of ₹ 1,422,670 (net of deferred tax of ₹ 119,972) was recognized in the Surplus in the Consolidated Statement of Profit and Loss, where the remaining useful life of such assets was Nil as at 1st April, 2014 in line with the provisions of Schedule II to the Act.
- 2.37** There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). The identification of vendors as a "Supplier" under the Act has been done on the basis of the information to the extent provided by the vendors to the Group. This has been relied upon by the auditors.
- 2.38** The amount of ₹ 19,869,855 disclosed as Contingent Liability (Refer note 2.27(i)(a)) is towards the disputed property tax levied by MMC based on enhanced ratable value for the period 1st April 2007 to 31st March 2010 in respect of the Company's Investment Property in Atlanta Building, Nariman Point.
- During the financial year 2015-16, the Company sold four units of the said property. Upon sale of said units the Company was required to deposit ₹ 10,028,864 with Atlanta Premises Co-operative Society Limited (the society) towards part of the disputed property tax related to units sold. The said amount of ₹ 10,028,864 has been placed by the society in cumulative fixed deposits with Bank.
- The disputed property tax issue is still subjudice and the order is awaited from the Mumbai High court. Pending the outcome of the matter, out of abundant caution, the Company has made a provision of ₹ 5,000,000 in respect of the units sold.
- However, the total amount of ₹ 24,869,855 is fully recoverable from the ex-Licensee as per the Leave and License Agreements entered by the Company with them from time to time.
- 2.39** Due to Real Estate market condition, low demand and consequent delay, IITL Nimbus the Palm Village - jointly controlled entity (the Firm) has started refunding booking amount along with interest to the customers as per their request. The Firm is in the process of evaluating alternative options for executing this project within the overall framework of the lease agreement. In view of this, the accounts of the Firm have been prepared on going concern basis.
- 2.40** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 2013 Act:

| Name of the entity in the                                    | Particulars                                            |                      | Share of profit or loss             |                     |
|--------------------------------------------------------------|--------------------------------------------------------|----------------------|-------------------------------------|---------------------|
|                                                              | Net assets, i.e., total assets minus total liabilities |                      |                                     |                     |
|                                                              | As % of consolidated net assets                        | Amount               | As % of consolidated profit or loss | Amount              |
| Parent                                                       | 81%                                                    | 5,395,385,710        | -46%                                | 65,084,884          |
| <b>Subsidiaries</b>                                          |                                                        |                      |                                     |                     |
| <b>Indian</b>                                                |                                                        |                      |                                     |                     |
| 1. IITL Projects Limited                                     | 1%                                                     | 24,140,507           | 44%                                 | (62,420,559)        |
| 2. IIT Investtrust Limited                                   | 3%                                                     | 168,548,687          | 1%                                  | (1,520,816)         |
| 3. IIT Insurance Broking and Risk Management Private Limited | 1%                                                     | 43,561,076           | 14%                                 | (19,677,499)        |
| 4. IITL Corporate Insurance Services Private Limited         | 1%                                                     | 1,306,481            | 0%                                  | (321,631)           |
| 5. IITL Marketing Management Private Limited                 | 0%                                                     | 3,980                | 0%                                  | 49,787              |
| <b>Foreign</b>                                               | NA                                                     | NA                   | NA                                  | NA                  |
| <b>Minority Interests in all subsidiaries</b>                |                                                        |                      |                                     |                     |
| 1. IITL Projects Limited                                     | 1%                                                     | 12,281,888           | 17%                                 | (24,200,338)        |
| 2. IIT Investtrust Limited                                   | 1%                                                     | 1,710,624            | 0%                                  | (15,362)            |
| <b>Associates (Investment as per the equity method)</b>      |                                                        |                      |                                     |                     |
| <b>Indian</b>                                                |                                                        |                      |                                     |                     |
| 1. World Resorts Limited                                     | 2%                                                     | 112,908,243          | 3%                                  | (3,915,377)         |
| 2. Golden Palms Facility Management Private Limited          | 0%                                                     | 650,816              | 0%                                  | 150,816             |
| <b>Foreign</b>                                               | NA                                                     | NA                   | NA                                  | NA                  |
| <b>Joint Ventures (as per proportionate consolidation)</b>   |                                                        |                      |                                     |                     |
| <b>Indian</b>                                                |                                                        |                      |                                     |                     |
| 1. Future Generali India Life Insurance Company Limited      | 6%                                                     | 463,740,935          | 57%                                 | (80,284,407)        |
| 2. Capital Infraprojects Private Limited                     | 1%                                                     | 142,460,792          | -1%                                 | 835,478             |
| 3. IITL Nimbus The Hyde Park Noida                           | 1%                                                     | 97,570,637           | -2%                                 | 1,596,124           |
| 4. IITL Nimbus The Palm Village                              | 2%                                                     | 171,733,527          | 13%                                 | (17,831,924)        |
| 5. IITL Nimbus The Express Park View                         | -1%                                                    | (15,111,066)         | 0%                                  | 506,076             |
| <b>Foreign</b>                                               | NA                                                     | NA                   | NA                                  | NA                  |
|                                                              | 100%                                                   | 6,620,892,837        | 100%                                | (141,964,748)       |
| Less : Elimination                                           |                                                        | 1,492,518,869        |                                     | 66,135,765          |
| <b>Total</b>                                                 |                                                        | <b>5,128,373,968</b> |                                     | <b>(75,828,983)</b> |

- 2.41** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

For and on behalf of the Board of Directors

**DR. B. SAMAL**  
Executive Chairman

**BIPIN AGARWAL**  
Director

**CUMI BANERJEE**  
CEO & Company Secretary

**KAUSHIK DESAI**  
Chief Financial Officer

Mumbai: 26th May, 2016

**Statement containing salient features of financial Statement of Subsidiaries/Associates/Joint Ventures as per Companies Act, 2013**  
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

(₹)

**Part "A" : Subsidiaries**

| Sr. No | Particulars                          | 2015-2016             |                         |                                                           |                                            |                                                   | 2014-2015             |                         |                                                           |                                            |                                                   |
|--------|--------------------------------------|-----------------------|-------------------------|-----------------------------------------------------------|--------------------------------------------|---------------------------------------------------|-----------------------|-------------------------|-----------------------------------------------------------|--------------------------------------------|---------------------------------------------------|
|        |                                      | IITL Projects Limited | IIT Investtrust Limited | IIT Insurance Broking and Risk Management Private Limited | IITL Marketing Management Private Limited* | IITL Corporate Insurance Services Private Limited | IITL Projects Limited | IIT Investtrust Limited | IIT Insurance Broking and Risk Management Private Limited | IITL Marketing Management Private Limited* | IITL Corporate Insurance Services Private Limited |
| 1.     | Capital                              | 120,079,000           | 125,000,000             | 25,000,000                                                | 1,500,000                                  | 2,500,000                                         | 120,079,000           | 125,000,000             | 25,000,000                                                | 1,500,000                                  | 2,500,000                                         |
| 2.     | Reserves                             | (83,656,605)          | 45,259,311              | 18,561,077                                                | (1,496,020)                                | (1,193,520)                                       | 68,564,292            | 46,795,489              | 38,238,576                                                | (1,545,807)                                | (871,889)                                         |
| 3.     | Total Assets                         | 823,710,078           | 171,608,021             | 107,738,961                                               | 12,079                                     | 1,421,317                                         | 647,844,864           | 173,179,665             | 114,783,377                                               | 15,474                                     | 1,739,229                                         |
| 4.     | Total Liabilities                    | 787,287,683           | 1,348,710               | 64,177,885                                                | 8,099                                      | 114,838                                           | 459,201,572           | 1,384,176               | 51,544,801                                                | 61,281                                     | 111,118                                           |
| 5.     | Details of Investments               |                       |                         |                                                           |                                            |                                                   |                       |                         |                                                           |                                            |                                                   |
|        | - Equity shares in Associate         | 500,000               |                         |                                                           |                                            |                                                   |                       |                         |                                                           |                                            |                                                   |
|        | - Equity shares in Joint Venture     | 5,000,000             |                         |                                                           |                                            |                                                   | 5,000,000             |                         |                                                           |                                            |                                                   |
|        | - Preference shares in Joint Venture | 125,000,000           |                         |                                                           |                                            |                                                   | 125,000,000           |                         |                                                           |                                            |                                                   |
|        | - Other entity                       | 250,000,000           | 75,000,000              |                                                           |                                            |                                                   | 250,000,000           | 75,000,000              |                                                           |                                            |                                                   |
|        | - Share in partnership Firm          | 285,237,500           | -                       | -                                                         |                                            |                                                   | 96,449,512            |                         |                                                           |                                            |                                                   |
|        | - Investment in Immovable Property   | -                     | 47,655,365              |                                                           |                                            |                                                   |                       | 47,655,365              |                                                           |                                            |                                                   |
| 6.     | Turnover                             | 24,989,782            | 105,640                 | 9,800,503                                                 | -                                          | -                                                 | 223,314,818           | 4,325,471               | 19,744,224                                                | -                                          | 134,982                                           |
| 7.     | Profit before tax                    | (86,759,807)          | (1,385,144)             | (19,574,100)                                              | 49,787                                     | (321,631)                                         | 51,273,305            | (1,116,987)             | (18,001,877)                                              | (92,982)                                   | (871,889)                                         |
| 8.     | Provision for taxation               | (138,910)             | 151,034                 | 103,399                                                   | -                                          | -                                                 | 5,910,104             | (190,621)               | 654,437                                                   | -                                          | -                                                 |
| 9.     | Profit after tax                     | (86,620,897)          | (1,536,178)             | (19,677,499)                                              | 49,787                                     | (321,631)                                         | 45,363,201            | (926,366)               | (18,656,314)                                              | (92,982)                                   | (871,889)                                         |
| 10.    | Proposed dividend                    | -                     | -                       | -                                                         | -                                          | -                                                 | -                     | -                       | -                                                         | -                                          | -                                                 |
| 11.    | % of shareholding                    | 71.74%                | 99.00%                  | 100.00%                                                   | 100.00%                                    | 100.00%                                           | 71.74%                | 99.00%                  | 100.00%                                                   | 100.00%                                    | 100.00%                                           |

\* The Name of the company has been changed from "IIT Media and Entertainment Private limited" to "IITL Marketing Management Private Limited".

**Part “B” : Associates and Joint Ventures**

| Sr. No | Name of Associates /Joint Ventures                                        | 2015-2016                    |                                                      |                              |                                   |                                  |                                       |                                                  |
|--------|---------------------------------------------------------------------------|------------------------------|------------------------------------------------------|------------------------------|-----------------------------------|----------------------------------|---------------------------------------|--------------------------------------------------|
|        |                                                                           | World Resort Private Limited | Future Generali India Life Insurance Company Limited | IITL Nimbus the Palm Village | IITL Nimbus the Express Park View | IITL Nimbus the Hyde Park, Noida | Capital Infraprojects Private Limited | Golden Palms Facility Management Private Limited |
| 1.     | Latest Audited Balance Sheet Date                                         | 31-Mar-16                    | 31-Mar-16                                            | 31-Mar-16                    | 31-Mar-16                         | 31-Mar-16                        | 31-Mar-16                             | 31-Mar-16                                        |
| 2.     | Share of Associate/Joint Ventures held by the Company on the year end     |                              |                                                      |                              |                                   |                                  |                                       |                                                  |
| (a)    | No.                                                                       | 13,018,125                   | 326,700,000                                          |                              |                                   |                                  |                                       | 50,000                                           |
| (b)    | Amount of Investment in Associates/ Joint Ventures                        | 155,181,250                  | 3,400,000,000                                        | 220,000,000                  | 20,237,500                        | 45,000,000                       | 130,000,000                           | 500,000                                          |
| (c)    | Extend of Holding %                                                       | 25.00%                       | 22.50%                                               | 47.50%                       | 47.50%                            | 50.00%                           | 50.00%                                | 50.00%                                           |
| 3.     | Description of how there is Significant Influence.                        | Note - A                     | Note - A                                             | Note - B                     | Note - B                          | Note - B                         | Note - A                              | Note - A                                         |
| 4.     | Reason why the associate/joint Ventures is not consolidated.              | NA                           | NA                                                   | NA                           | NA                                | NA                               | NA                                    | NA                                               |
| 5.     | Networth Attributable to Shareholding as per latest audited Balance Sheet | 157,715,745                  | 463,740,935                                          | 171,733,527                  | (15,111,066)                      | 97,570,637                       | 142,460,792                           | 726,224                                          |
| 6.     | Profit / (Loss) for the Year                                              |                              |                                                      |                              |                                   |                                  |                                       |                                                  |
| (a)    | Considered in Consolidation                                               | (3,915,377)                  | (80,284,407)                                         | (17,831,924)                 | 506,075                           | 1,596,124                        | 835,478                               | 150,816                                          |
| (b)    | Not Considered in Consolidation                                           |                              |                                                      |                              |                                   |                                  |                                       |                                                  |

Note

A There is significant influence due to percentage of Share Capital

B There is significant influence due to percentage of capital of these partnership firms held by subsidiary IITL Projects Limited.

Signatures to Note 1 and 2.1 to 2.41

**For and on behalf of the Board of Directors**

**Dr. B. SAMAL**  
Chairman

**BIPIN AGARWAL**  
Director

**CUMI BANERJEE**  
CEO & Company Secretary

**KAUSHIK DESAI**  
Chief Financial Officer

Mumbai: 26th May, 2016

Mumbai: 26th May, 2016



IITL GROUP

## ATTENDANCE SLIP

## INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

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

E-mail address: iitl@iitlgroup.com. Website: www.iitlgroup.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the venue of the meeting.

|            |  |
|------------|--|
| DP ID*     |  |
| Client ID* |  |

|               |  |
|---------------|--|
| Folio No.     |  |
| No. of shares |  |

Name of the shareholder :

Address of the Shareholder :

We/I hereby record our/my presence at the **83rd Annual General Meeting** of the Company held on Friday, September 16, 2016 at 2.30 p.m. at M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001.

\*Applicable for investors holding shares in electronic form.

Signature of Member's / Proxy's

**Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.**

## INDUSTRIAL INVESTMENT TRUST LIMITED

## Proxy Form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65990MH1933PLC001998

Name of the company : INDUSTRIAL INVESTMENT TRUST LIMITED

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

E-mail address: iitl@iitlgroup.com. Website: www.iitlgroup.com

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id /DP Id :

I/We, being the member (s) of ..... shares of Industrial Investment Trust Ltd. hereby appoint:

|                  |                  |                |
|------------------|------------------|----------------|
| 1. Name : .....  | Address: .....   |                |
| E-mail Id: ..... | Signature: ..... | or failing him |
| 2. Name : .....  | Address: .....   |                |
| E-mail Id: ..... | Signature: ..... | or failing him |
| 3. Name : .....  | Address: .....   |                |
| E-mail Id: ..... | Signature: ..... | or failing him |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 83rd Annual General Meeting of the Company, to be held on the Friday, September 16, 2016 at 2.30 p.m. at M.C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

## ORDINARY BUSINESS

- Adoption of Audited Financial Statements (Standalone & Consolidated) for the year ended March 31, 2016 and reports of the Directors and Auditors thereon
- To appoint a Director in place of Mr. Bipin Agarwal (DIN: 00001276), who retires by rotation
- Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors and fixing their remuneration

## SPECIAL BUSINESS

- Appointment of Mr. Deb Kumar Banerjee (DIN: 07326051) as a Non Executive / Non Independent Director
- Approval of Related Party Transactions under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015
- Approval of Related Party Transaction with IIT Investtrust Limited
- Approval of Related Party Transaction with IIT Insurance Broking and Risk Management Private Limited

Signed this..... day of..... 2016.

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

## Note:

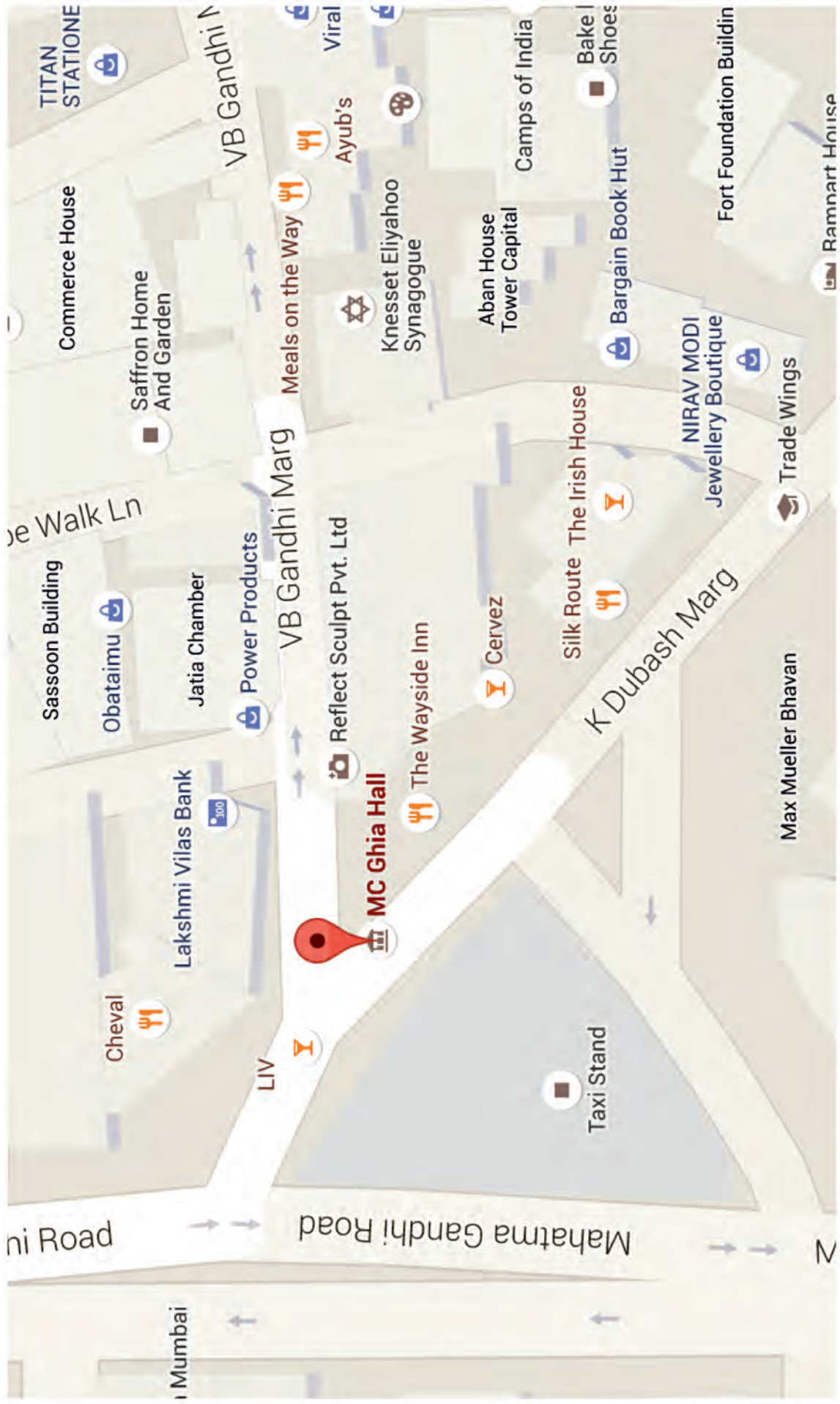
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

----- ✂ ----- ✂ ----- ✂ -----

**Notes:**

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.







*If undelivered, please return to :*

**INDUSTRIAL INVESTMENT TRUST LIMITED**

CIN: L65990MH1933PLC001998

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

Tel: 022 43250100. Email address: [iitl@iitlgroup.com](mailto:iitl@iitlgroup.com). Website: [www.iitlgroup.com](http://www.iitlgroup.com)