IITL GROUP | **INDUSTRIAL INVESTMENT TRUST LIMITED**

September 27, 2017

The Manager
Corporate Relationship Department
BSE Limited
Dalal Street
Mumbai – 400 001

The Manager
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th 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 2016-2017

In compliance with Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached please find the Annual Report of the Company for the Financial Year 2016-2017.

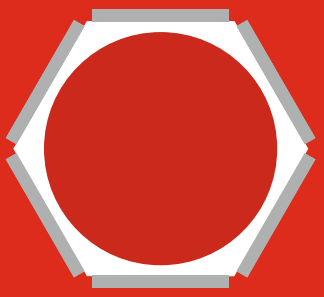
You are requested to take the same on record.

Thanking you,

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

Cumi Banerjee
CEO & Company Secretary

Encl: A/a



IITL GROUP

Industrial Investment Trust Limited

84th Annual Report

2016 - 2017

ANNUAL GENERAL MEETING

Date
Saturday, September 23, 2017

Time
2.15 p.m.

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

CONTENTS

	Page No.
Board of Directors	1
Notice of the Annual General Meeting	2 - 8
Directors' Report	9 - 32
Management Discussion and Analysis Report	33 - 35
Report on Corporate Governance	36 - 46
Independent Auditors' Certificate on Corporate Governance & Certificate (Under Regulation 17(8) of SEBI (LODR) Regulations, 2015)	47 - 48
Independent Auditors' Report of Standalone Financial Statements	50 - 53
Standalone Financial Statements	54 - 86
Independent Auditors' Report of Consolidated Financial Statements	88 - 91
Consolidated Financial Statements	92 - 119
Attendance Slip and Proxy Form	121 - 122

The Annual Report can be accessed at www.iitlgroup.com

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

BOARD OF DIRECTORS	:	Dr. B. Samal	- Chairman
		Mr. Bipin Agarwal	
		Mr. Venkatesan Narayanan	
		Mr. Subhash Bhargava	
		Mrs. Bhagyam Ramani	- Upto June 01, 2017
		Mr. Deb Kumar Banerjee	- Nominee of LIC India
		Ms. Cumi Banerjee	- CEO & Company Secretary
		Mr. Kaushik Desai	- CFO (Upto August 08, 2017)
BANKERS	:	Axis Bank Limited	
		Union Bank of India	
		HDFC Bank Limited	
AUDITORS	:	Deloitte Haskins & Sells Chartered Accountants (Registration No. 117365W)	
REGISTRAR & SHARE TRANSFER AGENTS	:	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai 400 083 Tel: 022 4918 6000 / 4918 6270 - Investor Cell Email address: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	
REGISTERED OFFICE	:	14E, Rajabahadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001 Tel: 022 43250100 Fax: 022 22651105 Email address: iitl@iitlgroup.com Website: www.iitlgroup.com	

NOTICE

NOTICE is hereby given that the Eighty Fourth 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. DubashMarg, Mumbai 400 001 on Saturday, September 23, 2017 at 2:15 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, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. B. Samal (DIN: 00007256), 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 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee, M/s. Chaturvedi & Shah, Chartered Accountants, (Firm Registration No. 101720W), be and are hereby appointed as Statutory Auditors of the Company in place of the retiring Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 117365W), who shall hold office from the conclusion of this 84th Annual General Meeting (AGM) for term of five consecutive years till conclusion of the 89th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the members at every AGM held after this AGM) of the Company and that the Board be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS

4. **Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with IITL-Nimbus The Express Park View (EPV II)**

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 earlier resolution passed by way of Postal Ballot on April 21, 2017 in this regard and 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the shareholders of IITL Projects Limited for grant of Corporate Guarantee, consent of the Company be and is hereby accorded for entering into the following proposed Related Party Transaction:

Sr. No.	Name of the related party	Relationship	Nature of Transaction
1.	IITL-Nimbus The Express Park View (EPV II)	Entity under Significant Influence	Restructuring of Unsecured Loan of ₹ 23,19,87,365/- granted to IITL-Nimbus The Express Park View (EPV II), a joint venture of the subsidiary company, IITL Projects Limited and interest outstanding thereon, the terms of restructuring would be as under: a. Moratorium of four years for a period beginning October 01, 2017 and ending on September 30, 2021 on repayment of outstanding loan of ₹ 23,19,87,365/- b. Interest outstanding upto March 31, 2016 amounting to ₹ 1,57,64,094/- to be converted into Funded Interest Term Loan (FITL) and a Moratorium to be granted for its repayment and the interest thereon for a period of 4 years ending on September 30, 2021. The rate of interest to be charged on FITL will be 12%. c. Interest outstanding from April 01, 2016 upto September 30, 2017 amounting to ₹ 5,22,44,826/- to be waived off. d. Rate of interest to be charged on the outstanding loan of ₹ 23,19,87,365/- will be reduced from 15% p.a. to 12% p.a. w.e.f. October 01, 2017. e. Interest on Loan and FITL to accrue annually (at the end of each financial year) instead of quarterly rests for the period October 01, 2017 to September 30, 2021. f. Recompense Clause: The Company reserves the right to claim recompense for the interest amount which has been waived off as part of restructuring. g. (i) Promoters' contribution amounting to ₹ 3,06,60,032/- to be brought jointly by the Promoters in EPV II i.e. to the extent of 20% of the total sacrifice amount on account of Diminution in Fair Value of Loan and waiver of interest; and (ii) Obtaining Corporate Guarantee, to the extent of outstanding loan including FITL amounting to ₹ 24,77,51,459/- and accumulated interest thereon to be calculated (On Loan & FITL) upto the end of moratorium period or repayment whichever is earlier from the Promoters' of EPV II in compliance with the relevant provisions of the Prudential Norms of the Reserve Bank of India pertaining to Restructuring of Loans, as amended from time to time.

RESOLVED FURTHER THAT the Company do comply with the relevant provisions of the Prudential Norms of the Reserve Bank of India pertaining to Restructuring of Loans, as amended from time to time,viz. recovery of the recompense amount, bringing in upfront promoters contribution, obtaining personal / corporate guarantees from promoters of the Borrower, etc.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to this resolution and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto including obtaining professional advice from external sources."

By Order of the Board of Directors
For I**ndustrial Investment Trust Limited**

Cumi Banerjee
CEO & Company Secretary

Mumbai : August 08, 2017

Registered Office :
14E, Rajabahadur 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 for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 16, 2017 to Saturday, September 23, 2017 (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: Link Intime India Private Limited having their office at C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Tel. No.: 4918 6000. 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 Rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred on due date, the unpaid or unclaimed dividend amount for the financial year ended March 31, 2009 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on September 16, 2016 (date of the last Annual General Meeting) on the website of the Company viz. www.iitlgroup.com and the website of the Ministry of Corporate Affairs (www.mca.gov.in).

   Members who have not encashed their dividend warrants for the year 2009-2010 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. **Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and ease of portfolio management. Members can contact the Company or Link Intime India Private Limited (RTA) for assistance in this regard.**

10. 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.

11. 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.

12. A route map showing the directions to reach the venue of the 84th 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.

13. **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 84thAnnual 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 Wednesday, September 20, 2017 (9.00 a.m.) and ends on Friday, September 22, 2017 (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 16, 2017, 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 16, 2017, may obtain the User ID and Password by sending an email request to 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, Rajabahadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai- 400001.

(v) The shareholders should log on to the e-voting website 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • 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)

(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) 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 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.
- 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 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.

(xxiii) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxiv) The Notice of the AGM for the Financial Year ended March 31, 2017 is available on Company's website www.iitlgroup.com and on the CDSL's website 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 16, 2017.

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 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

Name of the Director	**Dr. B. Samal**
Director Identification Number	00007256
Age	74 years
Nationality	Indian
Date of Appointment	05.03.2008
Qualifications	M.Sc. (Ag.), Ph.D (Economics), Post Graduate Diploma in Bank Management conducted by NIBM, Pune
Expertise in specific functional areas	He has more than 35 years of experience in the areas of Banking - Rural Credit, HRD, Security related Market and Industrial Finance. He has served as Chairman & Managing Director of Allahabad Bank and Industrial Investment Bank of India. He was also a member of Securities Appellate Tribunal (SAT), Ministry of Finance, Government of India, Department of Economic Affairs.
Terms & Conditions of Appointment/ Re-appointment	As per the resolution at item no. 7 of the Notice convening Annual General Meeting on September 16, 2015 read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 55,32,000/- p.a.
Remuneration proposed to be paid	As per the resolution at item no. 7 of the Notice convening Annual General Meeting on September 16, 2015 read with explanatory statement thereto.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of Board attended during the year	6
Directorships held in other companies (Excluding alternate directorship, foreign companies and companies under Section 8 of the Companies Act, 2013)	1. Reliance Capital Limited 2. IITL Projects Limited 3. Mayfair Hotels and Resorts Limited 4. Vipul Limited 5. World Resorts Limited 6. Capital Infraprojects Private Limited 7. MRG Hotels Pvt. Limited 8.T.K. International Limited 9. Future Generali India Life Insurance Company Limited
Committee position held in other companies (Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee have been included)	**Audit Committee** 1. Mayfair Hotels and Resorts Limited 2. Reliance Capital Limited 3. IITL Projects Limited 4. Vipul Limited 5. T.K. International Limited **Stakeholders Relationship Committee** 1. Reliance Capital Limited
No. of shares held in the company	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS UNDER ITEM NO. 4 OF THE ACCOMPANYING NOTICE DATED AUGUST 08, 2017

Item No.4

The Company is a Non-Banking Financial Company and is into the business of making investments and granting of loans, inter corporate deposits to its group companies and others.

IITL-Nimbus The Express Park View (EPV II), a Joint Venture Partnership Firm between the Company's subsidiary IITL Projects Limited, Nimbus Projects Limited and Assotech Limited and is engaged into real estate business and construction of residential complex in the National Capital Region (NCR).

The Company had granted an unsecured loan amounting to ₹ 23,19,87,365/-to EPV II in various tranches between November 2011 to August 2015. EPV II was regular in servicing its interest obligation upto September 30, 2015.

However, due to crisis in real estate industry EPV II could not achieve the expected sales volume. This affected the profitability as well as the debt repayment capacity of EPV II. In view of the aforesaid, EPV II failed to service its interest obligation from October 01, 2015 and expressed its inability to repay the interest and the loan. EPV II had requested the Company to restructure the said loan by grant of moratorium on repayment of loan and interest thereon for a period of four years alongwith reduction in rate of interest.

The Shareholders of the Company, through a Postal Ballot concluded on April 21, 2017, had accorded their consent by an Ordinary Resolution to the Board of Directors for Restructuring of Unsecured Loan of ₹ 23,19,87,365/- granted to IITL-Nimbus The Express Park View (EPV II) and interest outstanding thereon.

However, the process of Restructuring of Loan could not be consummated within a period of 120 days as stipulated by the provisions of Prudential Norms of the Reserve Bank of India pertaining to Restructuring of Loans.

Subsequently, EPV II has requested the Company to restructure the said loan on revised terms and conditions as reproduced in the table hereunder.

Considering the Cash Flow Projections obtained from EPV II upto year ended March 31, 2022 and various other parameters, the Board of Directors are of the opinion that EPV II will be able to generate sufficient cash surplus by year ending March 2022 to repay the said Loan and interest thereon.

Based on the prior approval granted by the Audit Committee in its meeting held on August 08, 2017, the Board of Directors in its meeting held on even date granted its approval for Restructuring of its outstanding loan and interest thereon.

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**
IITL-Nimbus The Express Park View (EPV II), an Entity under Significant Influence and a Related Party as per the provisions of Section 2(76) of the Companies Act, 2013.	Restructuring of Unsecured Loan of ₹ 23,19,87,365/- granted to IITL-Nimbus The Express Park View (EPV II), a joint venture of the subsidiary company, IITL Projects Limited and interest outstanding thereon, the terms of restructuring would be as under: a. Moratorium of four years for a period beginning October 01, 2017 and ending on September 30, 2021 on repayment of outstanding loan of ₹ 23,19,87,365/- b. Interest outstanding upto March 31, 2016 amounting to ₹ 1,57,64,094/- to be converted into Funded Interest Term Loan (FITL) and a Moratorium to be granted for its repayment and the interest thereon for a period of 4 years ending on September 30, 2021. The rate of interest to be charged on FITL will be 12%. c. Interest outstanding from April 01, 2016 upto September 30, 2017 amounting to ₹ 5,22,44,826/- to be waived off. d. Rate of interest to be charged on the outstanding loan of ₹ 23,19,87,365/- will be reduced from 15% p.a. to 12% p.a. w.e.f. October 01, 2017. e. Interest on Loan and FITL to accrue annually (at the end of each financial year) instead of quarterly rests for the period October 01, 2017 to September 30, 2021. f. Recompense Clause: The Company reserves the right to claim recompense for the interest amount which has been waived off as part of restructuring. g. (i) Promoters' contribution amounting to ₹ 3,06,60,032/- to be brought jointly by the Promoters in EPV II i.e. to the extent of 20% of the total sacrifice amount on account of Diminution in Fair Value of Loan and waiver of interest; and (ii) Obtaining Corporate Guarantee, to the extent of outstanding loan including FITL amounting to ₹ 24,77,51,459/- and accumulated interest thereon to be calculated (On Loan & FITL) upto the end of moratorium period or repayment whichever is earlier from the Promoters' of EPV II in compliance with the relevant provisions of the Prudential Norms of the Reserve Bank of India pertaining to Restructuring of Loans, as amended from time to time.

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 transaction is carried out as part of the business requirements of the Company and is on arm's length basis.

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.4 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 08, 2017

Registered Office :
14E, Rajabahadur 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 Fourth Annual Report of the Company, together with the Audited Statements of Accounts for the year ended March 31, 2017.

Financial Performance

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below.

₹ in Lacs

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Total Income	214.06	1709.84	32493.23	32793.84
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	(636.54)	699.90	(2108.87)	(205.05)
Finance Charges	0.82	6.93	621.24	638.31
Depreciation	8.63	12.48	60.11	68.88
Provision for Tax (including for earlier years)	(78.48)	29.64	(43.58)	50.56
Net Profit/(Loss) After Tax	(567.51)	650.85	(2746.64)	(962.80)
Profit/(Loss) brought forward from previous year	4754.72	4234.04	2006.70	2895.16
Share in Profit / (Loss) for Associate for the year	-	-	40.23	(37.65)
Share in Profit / (Loss) Attributable to Minority interest	-	-	122.92	242.16
Less: Reversal of tax on proposed dividend for an earlier year by a jointly controlled entity	-	-	31.70	-
Profit/(Loss) carried to Balance Sheet	4187.22	4884.89	(545.09)	2136.87
From this, the Directors have transferred to:				
Special Reserve	-	130.17	-	130.17
General Reserve	-	-	-	-
Capital Redemption Reserve	-	-	-	-
Leaving a balance to be carried forward	4187.22	4754.72	(545.09)	2006.70

Previous year figures have been regrouped/rearranged wherever necessary.

Results of operations and state of Company's affairs

During the year, the Company has incurred pre-tax Loss of ₹ 645.99 lakhs as compared to pre-tax Profit of ₹ 680.49 lakhs in the previous year. The Revenue from operations during the year was ₹ 214.06 lakhs compared to ₹ 1709.84 lakhs in the previous year. The reduction in Income is on account of non-repayment of interest on loans availed by group companies which have become NPAs. No provision has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 63.22 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 Committee of Investments / Loans and Risk Management is entrusted with the power to make investments and grant loans and the Board of Directors is apprised of the investments of the Company and monitors the deployment of resources on regular basis.

During the year under review, the Company has sold most of the quoted scrips from its investment portfolio where there was no remarkable appreciation since a long time or there was considerable erosion in the market values. The details of the Company's investments and analysis of securities held are given in Note No. 2.8 to the Balance Sheet as on March 31, 2017. The loans to subsidiaries and other entities within the group and interest income on the same are disclosed in Note No. 2.23 to the Balance Sheet as on March 31, 2017.

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

a) One Time Settlement of Loan with IITL Projects Limited: The Company had granted an unsecured loan amounting to ₹ 36.48 Crores in various tranches to IITL Projects Limited (IITLPL) for its business purpose over a period between February, 2010 to September, 2015. IITLPL was regular in servicing its interest obligation upto June 30, 2015.

Due to crisis in real estate industry, IITLPL and its Joint Ventures which are also into the business of Real Estate could not achieve the expected sales volume and revenues to service its debt from July 01, 2015.

IITLPL approached the Company with a request for One Time Settlement (OTS) of its outstanding loan and interest amount.

Pursuant to the approval received from the shareholders of the Company and IITLPL, the Company entered into One Time Settlement (OTS) Agreement on May 18, 2017 with IITLPL for the outstanding Unsecured Loan granted by the Company to IITLPL alongwith the outstanding interest thereon. As per the terms of the OTS Agreement, IITLPL has transferred 50,00,000, Zero % Non-Convertible Redeemable Preference Shares amounting to ₹ 28.33 Crores of World Resorts Limited and 1,08,49,120, Zero % Non-Convertible Redeemable Preference Shares of Capital InfraProjects Private Limited amounting to ₹ 11.76 Crores in favour of the Company. As per the terms of the OTS Agreement, the Company has waived off the outstanding Interest for the period April 2016 to March 2017 amounting to ₹ 5.47 Crores with a Recompense Clause. The Company reserves the right to claim recompense in case IITLPL turns profitable in future and has surplus cash flows for the interest amount which has been waived off as part of One Time Settlement.

b) Restructuring of Loan of IITL-Nimbus The Express Park View (EPV II): The Shareholders of the Company, through a Postal Ballot concluded on April 21, 2017, had accorded their consent by an Ordinary Resolution to the Board of Directors for Restructuring of Unsecured Loan of ₹ 23.19 Crores granted to IITL-Nimbus The Express Park View (EPV II) and interest outstanding thereon.

However, the process of Restructuring of Loan could not be consummated within a period of 120 days as stipulated by the provisions of Prudential Norms of the Reserve Bank of India pertaining to Restructuring of Loans.

Subsequently, EPV II requested the Company to restructure the said loan on revised terms and conditions.

The said proposal is being placed at the ensuing Annual General Meeting for the approval of the shareholders.

Dividend

In view of losses incurred by the Company, your Directors have not recommended any dividend for the financial year 2016-2017.

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, 2017, 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.

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 appended as **Annexure 1**.

Consolidated Accounts

The Consolidated Financial Statements of your Company for the financial year 2016-17, 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). Under the Builders Residential Scheme (BRS) of the Greater Noida Industrial Development Authority (GNIDA), IITLPL was allotted plots of land on long term lease basis for construction of residential flats.

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 basis, under Builders Residential Scheme (BRS) of the New Okhla Industrial Development Authority (NOIDA), Greater Noida Industrial Development Authority (GNIDA) and Yamuna Expressway Industrial Development Authority (YEIDA). The total lease hold area allotted to IITLPL 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, 'Express Park View I' has been developed and completed.

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)

During the year under review, one branch was opened and three branches were closed. The total number of operational offices at the year end stood at 4. IIT Insurance has also obtained online registration with Insurance Brokers Association of India (IBAI).

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

IITL Marketing Management Private Limited (Formerly known as IIT Media and Entertainment Private Limited) was incorporated on January 22, 2010. IMMPL did not commence any business till date. In June 2016, IMMPL applied to the Registrar of Companies for striking off the name of the company from the Register of Companies under 'Fast Track Exit, 2011' Scheme.

Ministry of Corporate Affairs intimated IMMPL, that pursuant to sub section (5) of Section 560 of the Companies Act. 1956, the name of IITL MARKETING MANAGEMENT PRIVATE LIMITED has been struck off from the Register of Companies w.e.f. October 25, 2016 and it stands dissolved.

e. IITL Corporate Insurance Services Private Limited (ICISPL)

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 (for category Life) of Future Generali India Life Insurance Company Limited (FGILICL).

However, subsequent to withdrawal of application for undertaking Corporate Agency business (Category: Life), IITL Corporate Insurance has not commenced any business till date.

Joint Venture / Associate Companies:

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

In the year 2013, the Company had made an investment of ₹ 340 Crores in Future Generali India Life Insurance Company Limited to acquire 22.5% of its equity capital. Subsequent to the acquisition, FGILICL is a joint venture of the Company.

During the period August 2016 to April 2017, FGILICL came out with three Rights Issues. However, the Company did not subscribe in the said Rights Issues. Subsequent to allotment under the Rights Issues, the total number of Equity Shares of FGILICL increased from 1,45,20,00,000 to 1,58,28,22,780. Consequent to that the Company's equity stake has reduced from 22.50% to 20.64%. 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.

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

As required by the Companies Act, 2013, your Company has implemented an Internal Financial Control (IFC) Framework. Section 134(5)(e) requires the Directors to make an assertion in the Directors Responsibility Statement that your company has laid down internal financial controls, which are in existence, adequately designed and operate effectively. Under Section 177(4) (vii), the Audit Committee evaluates the internal financial controls and makes a representation to the Board. The purpose of the IFC is to ensure that policies and procedures adopted by your Company for ensuring the orderly and efficient conduct of its business are implemented, including policies for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records. The IFC framework implementation required all processes of your Company to be documented alongside the controls within the process. All processes were satisfactorily tested for both design and effectiveness during the year.

M/s Patankar Sawant & Co., 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 shareholders at the 83rd Annual General Meeting held on September 16, 2016 approved the appointment of Mr. Deb Kumar Banerjee, the LIC Nominee as a Non Executive / Non Independent Director of the Company.

Retiring by Rotation

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

Resignation

During the period under review, Mr. R. S. Loona and Mrs. Bhagyam Ramani resigned as Director from the Board with effect from June 21, 2016 and June 01, 2017 respectively. The Board places on record, its appreciation for the valuable contribution made by them during their tenure as Directors of the Company.

The Board in its meeting held on August 08, 2017 accepted the resignation of Mr. Kaushik Desai from the post of Chief Financial Officer (KMP) of the Company from the close of the business hours on August 08, 2017. However, the Board will try to fill the vacancy at the earliest in order to comply with the provisions of Section 203 of the Companies Act, 2013.

Familarisation 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

Six 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:

(a) In preparation of the annual accounts for the year ended March 31, 2017, 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;

(b) 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, 2017 and loss of the Company for the year ended on that date;

(c) 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;

(d) The annual accounts have been prepared on a going concern basis;

(e) The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively;

(f) 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 practicing 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 uploaded on the Company's weblink viz. http://www.iitlgroup.com/newStatic/AboutUs.aspx.

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.

The details of the related party transactions as per Accounting Standard 18 are set out in Note No 2.23 to the Standalone Financial Statements forming part of this report.

All RPTs entered during the financial year by the Company are in ordinary course of business and on an arms' length basis. Particulars of material contracts or arrangements made with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure 3** to the Directors' Report.

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 2016-17 has made contribution of ₹ 20,50,000/- to Lala Ram Kumar Agarwal Memorial Trust, towards setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, as prescribed under Schedule VII of the Companies Act, 2013.

The report on CSR activities is attached as **Annexure 4** to this 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 81.11% above the regulatory minimum of 15%. Your Company's asset size is ₹ 535.51 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.

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

In compliance of Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017 titled as "Guidance Note on Board Evaluation" issued by SEBI, Nomination and Remuneration Committee carried out certain revisions in the criteria and the assessment questionnaires designed for the performance evaluation of the Directors, Committees, Chairman and the Board as a whole.

In terms of provisions of Companies Act, 2013 and Schedule II - Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out the annual performance evaluation of its own including the various Committees and individual Directors with a detailed questionnaire covering various aspects of the Boards functioning like, composition of Board and its Committees, Board culture, performance of specific duties and obligations.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated. Based on the feedback received from the Independent Directors and taking into account the views of Executive Directors and the Non-Executive Directors, the Board evaluated its performance on various parameters such as composition of Board and its committees, experience and competencies, performance of duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues, effectiveness of flow of information.

Auditors and Auditors' Report

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and in terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, they are not eligible for re-appointment for the next Financial Year 2017-18.

Accordingly, on the basis of the recommendation of the Audit Committee, the Board of Directors in their meeting held on August 08, 2017 proposed to appoint M/s. Chaturvedi & Shah, Chartered Accountants, registered with the Institute of Chartered Accountants of India under firm registration number 101720W, as Statutory Auditors of the Company in place of the retiring Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, who shall hold office from the conclusion of this 84th Annual General Meeting (AGM) till the conclusion of the 89th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of appointment by the members at every AGM held after this AGM)

M/s. Chaturvedi & Shah, Chartered Accountants, have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment. 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.

M/s. Deloitte Haskins & Sells, Chartered Accountants (the retiring Auditors), have carried out Statutory Audit and the Notes on financial statement referred to in the Auditors' Report issued by them are self-explanatory and hence do not call for any further comments under Section 134 of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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 Unclaimed Dividend amounts to Investor Education and Protection Fund

In terms of Rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, a sum of ₹ 3,32,846/- lying with the Company as unclaimed dividend for the year 2008 - 2009 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 Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 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, 2016), with the Ministry of Corporate Affairs.

Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:

The Ministry of Corporate Affairs ('MCA') has vide Notification No. S.O. 2866 (E) dated September 05, 2016 notified the provisions of Sections 124 and 125 (except for the sub-sections already notified earlier vide notification dated January 13, 2016) of the Companies Act, 2013. Further MCA vide Notification dated September 05, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), w.e.f. September 07, 2016.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred to an Investor Education and Protection Fund ('IEPF) Suspense Account (in the name of the company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF.

As per the said Rules (amended till date), where the period of seven years provided under sub-section (5) of section 124 has been completed or being completed during the period from September 07, 2016 to May 31, 2017, the due date of transfer of such shares shall be deemed to be May 31, 2017. The Ministry of Corporate Affairs vide its notification dated May 29, 2017 issued a clarification w.r.t. due date for transfer of shares to IEPF Authority stating that the modalities for transfer/ transmittal of shares from Companies accounts to demat account of IEPF Authority is being finalized and till opening of such demat accounts by IEPF Authority "the due date for transfer of shares stands extended".

The Company has initiated the process and issued individual notices to 212 shareholders holding 243777 equity shares who have not claimed their dividends for the last seven (7) consecutive years.

The Statement containing details of Name, Address. Folio No., Demat Account No. and No. of shares due for transfer to IEPF Suspense Account is made available on www.iitlgroup.com.

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

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 2016-17 (in ₹)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1	Dr. B. Samal, Executive Chairman	55,32,000	17%	11.72%
2	Mr. Bipin Agarwal, Non Executive Director	3,30,000 (Sitting fees)	22%	0.70
3	Mr. R.S. Loona, Independent Director $	1,20,000 (Sitting fees)	Not Applicable	0.25
4	Mr. Venkatesan Narayanan, Independent Director	5,70,000 (Sitting fees)	73%	1.21
5	Mr. Subhash Bhargava, Independent Director	6,30,000 (Sitting fees)	5%	1.33
6	Mrs. Bhagyam Ramani, Independent Director	1,80,000 (Sitting fees)	0%	0.38
7	Mr. Deb Kumar Banerjee (LIC), Non Executive Director	3,90,000 (Sitting fees)	Not Applicable	0.83
8	Ms. Cumi Banerjee, Chief Executive Officer & Company Secretary	32,47,830	0%	Not Applicable
9	Mr. Kaushik Desai, Chief Financial Officer	19,45,486	Not Applicable	Not Applicable

$ Mr. R.S. Loona resigned as Director w.e.f. 21.06.2016

Note: The remuneration to Directors includes sitting fees paid to them for the financial year 2016-17.

Notes:-

ii) Median remuneration of employees of the Company during the financial year 2016-2017 was ₹ 4,71,948/-.

ii) Median remuneration of employees of the Company during the financial year 2015-2016 was ₹ 4,58,185/-. In the financial year, there was a marginal increase of 3% in the median remuneration of employees.

iii) There were 12 confirmed employees on the rolls of the Company as on March 31, 2017.

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 0.27% whereas the increase in the managerial remuneration for the same financial year was 10.28%. (This excludes the salaries of the newly joined and resigned employees during the same financial year).

v) 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 clause 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 Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women 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 2016-17.

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 08, 2017
Place : Mumbai

Annexure 1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017 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	Rajabahadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001 Maharashtra. Tel: 022-43250100; Fax: 022-22651105 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 Tranfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai 400083. Tel: 022-4918 6000 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	90.08

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	**IITL PROJECTS LIMITED** Rajabahadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001	L01110MH1994PLC082421	Subsidiary	71.74	2(87)
2	**IIT INSURANCE BROKING AND RISK MANAGEMENT PRIVATE LIMITED** Rajabahadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001	U67190MH2008PTC187076	Subsidiary	100.00	2(87)
3	**IIT INVESTRUST LIMITED** Rajabahadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001	U67190MH1992PLC070247	Subsidiary	99.00	2(87)

4	**IITL CORPORATE INSURANCE SERVICES PRIVATE LIMITED** Rajabahadur Mansion, 2nd Floor, Bombay Samachar Marg, Fort, Mumbai 400001	U66000MH2014PTC252349	Subsidiary	100.00	2(87)
5	**WORLD RESORTS LIMITED** 31/32, Nagrur, Dasanpura Hobli, Off. Tumkur Road, Bangalore 562123	U85110KA1995PLC017694	Associate	25.00	2(6)
6	**FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED** Indiabulls Finance Centre, Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013	U66010MH2006PLC165288	Joint Venture	21.67	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	
A. Promoters									
(1) Indian									
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	9382067	0	9382067	41.61	0.49
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
Sub- total (A) (1)	**9321387**	**0**	**9321387**	**41.34**	**9432067**	**0**	**9432067**	**41.83**	**0.49**
2. Foreign									
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
Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shreholding of Promoter (A)=(A)(1)+(A)(2)	**9321387**	**0**	**9321387**	**41.34**	**9432067**	**0**	**9432067**	**41.83**	**0.49**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	41700	34950	76650	0.34	35700	34950	70650	0.31	-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	1224767	250	1225017	5.43	1191998	250	1192248	5.29	-0.14
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
Sub-total (B)(1):-	**1266467**	**72400**	**1338867**	**5.94**	**1227698**	**72400**	**1300098**	**5.77**	**-0.17**

2. Non- Institutions									
a) Bodies Corp									
i) Indian	513370	13550	526920	2.34	399075	13550	412625	1.83	-0.51
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	649407	540251	1189658	5.28	689064	535891	1224955	5.44	+0.16
ii) individual Shareholders holding nominal capital in excess of ₹ 1 lakh	129533	104000	233533	1.04	132716	104000	236716	1.05	+0.01
c) Others (specify)									
Foreign Nationals	13500	0	13500	0.06	13500	0	13500	0.06	0.00
Hindu Undivided Family	14702	0	14702	0.06	24931	0	24931	0.11	+0.05
Non Resident Indians (Repat)	3921	1000	4921	0.02	2891	1000	3891	0.02	0.00
Non Resident Indians (Non Repat)	9430	48500	57930	0.26	12936	48500	61436	0.27	+0.01
Clearing Member	20815	0	20815	0.09	12014	0	12014	0.05	-0.04
Trusts	6267	41500	47767	0.21	6267	41500	47767	0.21	0.00
Sub-total (B)(2):-	**1360945**	**748801**	**2109746**	**9.36**	**1293394**	**744441**	**2037835**	**9.04**	**-0.32**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2627412**	**821201**	**3448613**	**15.30**	**2521092**	**816841**	**3337933**	**14.81**	**-0.49**
C. Shares held by Custodian for GDRs & ADRs									
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
Sub-total C:-	**9777550**	**0**	**9777550**	**43.36**	**9777550**	**0**	**9777550**	**43.36**	**0.00**
Grand Total (A+B+C)	**21726349**	**821201**	**22547550**	**100.00**	**21730709**	**816841**	**22547550**	**100.00**	**0.00**

(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	2294107	10.17	0.00	+0.49
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
1	**N.N. Financial Services Pvt Ltd**				
	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
2	**Nimbus India Ltd**				
	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):				
	Acquisition of Shares on 06.10.2016	5000	0.02	2188427	9.70
	Acquisition of Shares on 13.10.2016	22700	0.10	2211127	9.80
	Acquisition of Shares on 14.10.2016	30100	0.13	2241227	9.93
	Acquisition of Shares on 18.10.2016	10500	0.05	2251727	9.98
	Acquisition of Shares on 19.10.2016	22500	0.10	2274227	10.08
	Acquisition of Shares on 21.10.2016	19880	0.09	2294107	10.17
	At the End of the year	2294107	10.17	2294107	10.17
3	**Bipin Agarwal**				
	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
4	**Swarn Mohinder Singh**				
	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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	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):				
	Sale of Shares on 14.10.2016	-1000	-0.00	1224017	5.43
	Sale of Shares on 21.10.2016	-11077	-0.05	1212940	5.38
	Sale of Shares on 28.10.2016	-11426	-0.05	1201514	5.33
	Sale of Shares on 04.11.2016	-9266	-0.04	1192248	5.29
	At the End of the year (or on the date of separation, if separated during the year)	1192248	5.29	1192248	5.29
2	**Pushpak Trading and Consultancy Pvt. Ltd.**				
	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
3	**Mokha Vyapaar Pvt. Ltd**				
	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
4	**Nippy Trading Private Limited**				
	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
5	**C S Leasefin Limited**				
	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):				
	Acquisition of Shares on 23.09.2016	68502	0.30	68502	0.30
	At the End of the year (or on the date of separation, if separated during the year)	68502	0.30	68502	0.30
6	**Brothers Trading Private Limited**				
	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

7	**Official Trustee Bombay**				
	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
8	**Bank of India**				
	At the beginning of the year	28110	0.12	28110	0.12
	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.	28110	0.12
	At the End of the year (or on the date of separation, if separated during the year)	28110	0.12	28110	0.12
9	**Rustom Nusserwanji Cooper**				
	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
10	**The Governor of Madhya Pradesh**				
	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
11	**Shri Parasram Holdings Pvt.Ltd.#**				
	At the beginning of the year	71152	0.32	71152	0.32
	Date wise Increase / Decrease in Share holding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	Sale of Shares on 22.07.2016	-50	-0.00	71102	0.32
	Acquisition of Shares on 26.08.2016	125	0.00	71227	0.32
	Acquisition of Shares on 02.09.2016	26	0.00	71253	0.32
	Acquisition of Shares on 09.09.2016	37	0.00	71290	0.32
	Sale of Shares on 16.09.2016	-45	-0.00	71245	0.32
	Sale of Shares on 23.09.2016	-68498	-0.31	2747	0.01
	Acquisition of Shares on 30.09.2016	1	0.00	2748	0.01
	Sale of Shares on 07.10.2016	-42	-0.00	2706	0.01
	Sale of Shares on 14.10.2016	-75	-0.00	2631	0.01
	Sale of Shares on 21.10.2016	-500	-0.00	2131	0.01
	Sale of Shares on 11.11.2016	-31	-0.00	2100	0.01
	Acquisition of Shares on 27.01.2017	100	0.00	2200	0.01
	Acquisition of Shares on 03.02.2017	100	0.00	2300	0.01
	At the end of the year (or on the date of separation, if separated during the year)	2300	0.01	2300	0.01

12	**Jardine Infrastructure and Developers Ltd. #**				
	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):				
	Sale of Shares on 07.10.2016	-4930	-0.02	115231	0.51
	Sale of Shares on 14.10.2016	-55000	-0.24	60231	0.27
	Sale of Shares on 21.10.2016	-60231	-0.27	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0.00	0	0.00

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

(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	**Venkatesan Narayanan**				
	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
4	**Subhash Bhargava**				
	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
5	**Bhagyam Ramani**				
	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
6	**Deb Kumar Banerjee**				
	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
7	**R.S. Loona (upto 21.06.2016)**				
	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
KEY MANAGERIAL PERSONNEL:					
1	**Cumi Banerjee**				
	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
2	**Kaushik Desai**				
	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 **(Amount in ₹)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	**1131395**	**NIL**	**NIL**	**1131395**
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	833466	NIL	NIL	833466
Net Change	**833466**	**NIL**	**NIL**	**833466**
Indebtedness at the end of the financial year				
i) Principal Amount	297929	NIL	NIL	297929
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**297929**	**NIL**	**NIL**	**297929**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole -time Directors and /or Manger: **(Amount in ₹)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Dr. B. Samal
1	Gross salary	
	a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	40,32,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,00,000
	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
	Total (A)	**55,32,000**
	Ceiling as per the Act	Maximum 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: **(Amount in ₹)**

Sl. No.	Particulars of Remuneration	Name of Directors						
		Bipin Agarwal	**R.S. Loona**	**Venkatesan Narayanan**	**Subhash Bhargava**	**Bhagyam Ramani**	**Deb Kumar Banerjee**	**Total Amount**
1	**Independent Directors**							
	Fee for attending board committee meetings	--	120000	570000	630000	180000	--	**1500000**
	Commission	--	--	--	--	--	--	**--**
	Others, please specify	--	--	--	--	--	--	**--**
	Total (1)	--	120000	570000	630000	180000	--	**1500000**
2	**Other Non-Executive Directors**							
	Fee for attending board committee meetings	330000	--	--	--	--	390000	**720000**
	Commission	--	--	--	--	--		**--**
	Others, please specify	--	--	--	--	--		**--**
	Total (2)	**330000**	**--**	**--**	**--**	**--**	**390000**	**720000**
	Total (B)=(1+2)	**330000**	**120000**	**570000**	**630000**	**180000**	**390000**	**2220000**
	Total Managerial Remuneration (A+B)							**7752000**
	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 **(Amount in ₹)**

Sl No.	Particulars of Remuneration	Key Managerial Personnel	
		CEO & Company Secretary (Cumi Banerjee)	Group Chief Financial Officer (Kaushik Desai)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income -Tax Act, 1961	32,47,830	19,45,486
	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
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission as % of profit others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total	**32,47,830**	**19,45,486**

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 08, 2017
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 **(Amount in ₹)**

Name of the subsidiary	IITL Projects Limited (Consolidated)*	IIT Investrust Ltd	IIT Insurance Broking and Risk Management Pvt. Ltd	IITL Corporate Insurance Services Pvt. Ltd
1. The date since when subsidiary was acquired	August 04, 2008	December 31, 1992	September 25, 2008	January 22, 2014
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
3. 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
4. Share capital	120,079,000	125,000,000	25,000,000	2,500,000
5. Reserves & surplus	(104,372,010)	44,244,334	4,150,646	(1,594,553)
6. Total assets	4,553,994,569	169,734,819	105,107,473	942,753
7. Total Liabilities	4,518,287,578	490,485	75,956,827	37,306
8. Investments	250,804,195	122,655,365	-	-
9. Turnover	999,442,451	3,641,651	9,265,033	60,434
10. Profit before taxation	(40,157,278)	(741,134)	(15,430,621)	(401,034)
11. Provision for taxation	4,237,049	273,843	(1,020,190)	-
12. Profit after taxation	(44,394,327)	(1,014,977)	(14,410,431)	(401,034)
13. Proposed Dividend	-	-	-	-
14. % of shareholding	71.74%	99%	100%	100%

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

The following information shall be furnished:-

1. **Names of subsidiaries which are yet to commence operations - IITL Corporate Insurance Services Pvt. Ltd ---** not commenced any business till date
2. **Names of subsidiaries which have been liquidated or sold during the year -** Pursuant to sub section (5) of Section 560 of the Companies Act, 1956, the name of IITL Marketing Management Private Limited has been struck off from the Register of Companies w.e.f. October 25, 2016 and it stands dissolved.

Part "B": Associates and Joint Ventures **(Amount in ₹ except shareholding)**

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, 2017	March 31, 2017
2. Date on which the Associate or Joint Venture was associated or acquired	August 28, 2012	December 17, 2013
3. Shares of Associate/Joint Ventures held by the company on the year end	March 31, 2017	March 31, 2017
No.	Equity - 13,018,125 Preference - 5,000,000	Equity - 326,700,000
Amount of Investment in Associates/Joint Venture	Equity - 155,181,250 Preference - 250,000,000	Equity - 3,400,000,000
Extent of Holding %	25%	21.67%
4. Description of how there is significant influence	By way of Share Capital (Associate Company)	By way of Share Capital (Joint Venture)
5. Reason why the associate/joint venture is not consolidated	N.A.	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	161,584,997	408,856,995
7. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	3,869,251	(188,579,268)

The following information shall be furnished:-

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

Dr. B. Samal Chairman — **Bipin Agarwal** Director

Place : Mumbai
Date : August 08, 2017

Cumi Banerjee CEO & Company Secretary — **Kaushik Desai** Chief Financial Officer

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 for the year ended March 31, 2017 - 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 for the year ended March 31, 2017 are as follows:

Sl. No.	Particulars	Description
1.	Name(s) of the related party	IITL Projects Limited (IITLPL)
2.	Nature of relationship	Subsidiary Company
3.	Nature of contracts / arrangements / transactions	One Time Settlement of the outstanding Unsecured Loan granted by the Company to IITL Projects Limited alongwith the outstanding interest thereon
4.	Duration of the contracts / arrangements / transactions	Not Applicable
5.	Salient terms of the contracts or arrangements or transactions including the value, if any	(i) One Time Settlement of the outstanding Unsecured Loan of ₹ 36.48 Crores granted to IITLPL together with Outstanding Interest for the period ended March 31, 2016 of ₹ 3.61 Crores (net of TDS) aggregating to ₹ 40.09 Crores would be adjusted against the transfer of following assets in favour of IITL: a. Transfer of 50,00,000, Zero % Non-Convertible Redeemable Preference Shares of World Resorts Limited (WRL) held by IITLPL in favour of the Company amounting to ₹ 28.33 Crores; and b. Transfer of 1,08,49,120, Zero % Non-Convertible Redeemable Preference Shares of Capital InfraProjects Private Limited (CIPL) held by IITLPL in favour of the Company amounting to ₹ 11.76 Crores. (ii) Waiver of the Interest for the period April 2016 to March 2017 amounting to ₹ 5.47 Crores. (iii) IITLPL to recompense the Company in case IITLPL turns profitable in future and has surplus cash flows for the interest amount which has been waived off as part of One Time Settlement.
6.	Date(s) of approval by the Board, if any	March 08, 2017. However, the Board's approval was subject to the approval of the shareholders of the Company and the shareholders of IITL Projects Limited by way of Ordinary Resolutions.
7.	Amount paid as advances, if any	NIL

For and on behalf of the Board
Industrial Investment Trust Limited

Dr. B. Samal
Chairman
(DIN: 00007256)

Date : August 08, 2017
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 programmes 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 programmes 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 programmes 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 programmes 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 endeavor 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 : ₹ 10,04,79,644/-

4. Prescribed CSR expenditure (2% of amount) : ₹ 20,09,593/- (rounded off to ₹ 20,50,000/-)

5. Details of CSR activities/projects undertaken during the year:

   a) total amount to be spent for the financial year : ₹ 20,50,000/-

   b) amount un-spent, if any : NIL

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 1. Local area/ others- 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 <u>Sub-heads</u>: 1. Direct expenditure on project/ programme, 2. Overheads:	Cumulative amount spent upto the reporting period	Amount spent: Direct/through implementing agency
				₹ in lacs	₹ in lacs	₹ in lacs	
1	Activities of establishing and running old age homes, institutions for welfare and relief for the poor, handicapped, old, orphans, widows, etc.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Delhi	₹ 20.50	₹ 20.50	₹ 20.50	Contribution made to Lala Ram Kumar Agarwal Memorial Trust, Delhi 110092

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder, the Company has spent 2% of the average net profit of the last 3 financial years as stated above.

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, 2017

[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
Rajabahadur 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 our 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, 2017 ("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, 2017 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, we have relied on the representation made by the company through its officers for systems and mechanisms formed by the company for compliance of the following specific applicable laws:

(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.

We further report that

The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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, the Board of Directors in its meeting held on March 08, 2017, subject to shareholders approval, accorded their consent for:

1. One Time Settlement (OTS) of the outstanding unsecured loan granted to its subsidiary IITL Projects Limited alongwith outstanding interest thereon; and
2. Restructuring of unsecured loan granted to IITL-Nimbus The Express Park View (EPV II) and interest outstanding thereon.

For Chandanbala Jain and Associates
Practising Company Secretaries

Chandanbala O. Mehta
FCS: 6122
C.P.No.: 6400

Place: Mumbai
Date: August 08, 2017

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 our 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
Practising Company Secretaries

Chandanbala O. Mehta
FCS: 6122
C.P.No.: 6400

Place: Mumbai
Date: August 08, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO:

Global economy stagnated in 2016 with GDP growth of 3.1 per cent, following slow trades, low investments and policy uncertainties in advanced economies.It was a year of challenges for global and Indian economy. The most important events that took place during the year were United Kingdom's decision to leave the European Union and the outcome of the presidential elections in United States of America. These events led to a lot of uncertainty. There was spurt in volatility across financial markets and an immediate ratings downgrade. US election outcome led to a lot of capital flight away from the emerging markets, including India, on the hopes of strong pro-US growth policy rollouts from the new Government.In other advanced economies, economic activity eased moderately compared to the previous year, with sluggish performance of the US being the major contributor. Meanwhile, emerging economies performed relatively better. China's slowdown, plummeting oil prices, and overall economic weakness in US and Europe contributed towards slow growth. The Global growth is projected to rise to 3.5 per cent in 2017-18.

INDIAN ECONOMIC SCENARIO:

During the financial year 2016-17, while the global economy remained subdued, India continued its growth trajectory. India is considered as one of the fastest growing economies in the world, recording a GDP of 7.1 per cent in financial year 2016-17. The spate of reforms which were unleashed in the financial year 2015-16 and 2016-17 helped India in containing fiscal deficit, current account deficit and inflation. It was only in the second half of the financial year 2016-17, India was struck by a surprise demonetization operation in November 2016.The Government of India announced that high-denomination notes (₹ 500/- and ₹ 1,000/-) would cease to be legal tender. The news immediately created disruption and there was panic. Consumer spending activity fell to a near halt. Consumers refrained from making any purchases except essential items.The cash shortage and payment disruptions caused by demonetization, strained business activity for a major part of the second half of the year. Capital investments remained stagnant. Real estate sector, which includes a lot of cash slowed down significantly. Metropolitan and Tier 1 cities reported up to a 30 per cent fall in house prices.Several other industrial sectors scaled back services or production

However inflation, though inched up in the last few months, stayed below the RBI's target of 5 per cent. The Indian rupee stayed relatively stable, trading in a range of ₹ 66-67 to USD for most part of the year before seeing a sharp appreciation during the close of the financial year.

Besides demonetization, the year was marked by other major domestic policy developments, the constitutional amendment paving the way for implementing the Goods and Service Tax (GST), The Insolvency and Bankruptcy Code and The Real Estate (Regulation and Development) Act, 2016 (RERA). GST implementation is expected to improve compliance,boost tax revenue and expand GDP by bringing more business under its ambit. It will streamline Central and State Government taxes and pave the way for uniform tax system in the country. 100 per cent FDI into gamut of services will help India in building global confidence. RERA which came into effect from May 01, 2017, covers all the residential and commercial projects in every state. RERA is aimed to protect the interest of consumers, promote fair play in real estate transactions and to ensure timely execution of projects.

INDIAN CAPITAL MARKETS:

Despite a series of developments perceived to be negative to the markets- the UK's referendum to leave the European Union, Donald Trump's victory in the US presidential election, the US Federal Reserve's decision to hike interest rates and the Government's demonetization move, on November 8, 2016, Indian stocks have risen to new highs this fiscal year, except for the interregnum period.

While Brexit, Donald Trump's victory in US elections, demonetization and US Fed rate hikes threatened to pull down markets, events such as BJP's win in Uttar Pradesh elections powered the Sensex to new highs.

During the last two months, particularly after the (Donald) Trump victory and Indian government's announcement of demonetization there was a massive pullout of FPI investment, particularly in debt, foreign portfolio investors pulled out ₹ 28,919 crores from India in November with debt outflow accounting for ₹ 15,194 crores On November 9, the Sensex had plunged by about 1,600 points.By end of November, the Sensex was hovering near 26,450, over 1,350 points down, over uncertainty about the economic impact of demonetization. The Nifty had shed 420 points in the same period to end the month at 8,208.

By end of November, the Sensex was hovering near 26,450, over 1,350 points down, over uncertainty about the economic impact of demonetization. The Nifty had shed 420 points in the same period to end the month at 8,208.

Afterthe demonetization announcement, all four indices fell for about two weeks due to uncertainty in the economy. This was followed by a stable period of two weeks, during which markets even recovered. Nearing the cut-off date for depositing old notes (December 30, 2016), the markets again fell as there was uncertainty about the future due to the shortage of new currency in circulation. The S&P BSE MidCap and S&P BSE SmallCap fell more compared with the S&P BSE SENSEX and S&P BSE LargeCap, as the demonetization had a greater effect on smaller companies. Since January 1, 2017, the markets have been bullish and have continued the upward trend.

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

Your Company is 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, Intercorporate deposits and loans to its Group Companies.

The Company through its subsidiaries viz, IITL Projects Limited (IITLPL) and the joint ventures of subsidiary are in the business of real estate.The residential projects which have been undertaken by them are located in Noida and Greater Noida region and Yamuna Express way. (The details of project undertaken by IITLPL and through Joint ventures have been provided in the Directors' Report), IIT Investrust Limited 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. (Life and Non-Life).

The Company has granted loans from time to time to its Group Companies which includes subsidiaries, joint ventures of subsidiaries and associates. During the period between February 2010 to September 2015, the Company had granted unsecured loan to the subsidiary IITLPL amounting to ₹ 36.48 crores in various tranches for its business. IITLPL was regular in servicing its interest obligation upto June 30, 2015.

However, due to crisis in real estate industry IITLPL and its Joint Ventures could not achieve the expected sales volume. This affected the profitability as well as the debt repayment capacity of the subsidiary company IITLPL and its Joint-Ventures.

In view of the aforesaid, IITLPL failed to service its interest obligation from July 01, 2015. In November 2015, at the specific request of IITLPL the Company granted a moratorium to IITLPL on payment of interest upto April 30, 2016 and also the period for repayment of loan was further extended upto March 31, 2018. However even after the end of the moratorium period, IITLPL could not service its interest obligation.

On account of said circumstances, IITLPL approached the Company with a request for One Time Settlement (OTS) of its outstanding loan and interest amount.

Based on the approval accorded by the members of the Company in April 2017 through Postal ballot, the Company entered into One Time Settlement (OTS) of outstanding Loan of ₹ 36.48 crores granted to IITLPL alongwith outstanding interest amount of ₹ 3.61 crores and a waiver of interest of ₹ 5.47 crores, subject to recompensing the holding company in case IITLPL turns profitable in future and has surplus cash flows. Besides that the loans which have been granted to the Joint Venture IITL Nimbus The Hyde Park Noida (Hyde Park) were renewed from time to time.Hyde Park has been regular in servicing its interest obligation. However Hyde Park has not repaid the loan till date. In terms of Prudential Norms of RBI these loans cannot be renewed further and are classified as NPA. The Joint Ventures, IITL Nimbus The Express Park View (EPV II) and IITL Nimbus The Palm Village have not been able to service the interest obligation since December 2015 and March 2017 respectivelyand have become NPAs.

Due to declining sales, increasing burden of interest costs, the losses of joint ventures of the subsidiary company are increasing.

The Company has also granted loans to its subsidiary company IIT Insurance Broking and Risk Management (IIT Insurance) from time to time. However due to low business volume, establishment costs of various branches and overhead expenses, the Company has not been able to generate sufficient revenue to service its interest obligation.

The company derives major portion of its revenue from the interest income on the loans granted to various group companies. On account of loss of interest income on the funds lent by the Company, there is a drag on the Company's performance and its overall profitability. The management expects that in the couple of years the subsidiary companies will definitely turn around.

India's real estate sector has been witnessing weakness in sales momentum, rising inventory and debt levels for the past three years. Further to that the government's decision on November 08, 2016 to immediately demonetize ₹ 500/- and ₹ 1000/- notes in circulation made a significant impact on the real estate industry as people became more conservative on spending. Property developers continue to face a challenging operating environment including weak cash flows, flat sales and stagnant prices and this may continue over the next one year. Further, due to demonetization, banks have seen a sharp decline in credit demand from retail customers as many of them are pushing back their plans to buy houses. The slowdown is more severe in NCR particularly in Gurgaon and certain Tier II Markets.

RISKS AND CONCERNS:

The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate risk, market risk, credit risk, liquidity risk, geo-political risk or uncertain economic conditions. Besides that the equity markets become extremely volatile due to various other factors like policy changes, capital inflows/outflows etc. The Company manages these risks by maintaining conservative financial profile and by following prudent business and risk management practices. 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 high level risks and implement appropriate solutions for minimizing the impact of such risks on the business of the Company. The Company is exposed to Credit risk which can be on account of loss of interest income and the Company's inability to recover the principal amount of the loan disbursed to the borrowers.

The assets are classified from time to time 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.

The Company's subsidiary and its joint ventures are in the business of real estate and their financial performance will have

impact on the Group's business results and financial condition. 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.

FINANCIAL PERFORMANCE:

The Company has incurred a loss after tax of ₹ 567.51 lakhs during the year compared to profit of ₹ 650.85 lakhs in the previous year. The Revenue from operations during the year is ₹ 214.06 lakhs compared to ₹ 1709.84 lakhs in the previous year. The income of ₹ 214.06 lakhs comprises of interest income of ₹ 192.82 lakhs. Provision of ₹ Nil has been made towards diminution in value of quoted long-term investments of the company as compared to ₹ 63.22 lakhs (net) 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, 2017, the total number of employees including subsidiaries was 40.

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 Company has established appropriate Internal control framework in its operations and financial accounting and reporting practices to ensure due adherence to the Internal Financial Control over Financial Reporting under section 143 (3) of The Companies Act 2013.

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, Proper and sufficient care is taken for safeguarding of assets, 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

The year 2017 will be the most crucial year globally as well as domestically. There are few pressure points such as sluggish improvement in economic conditions worldwide, structural unemployment, growing digital trades, labour saving technology and geopolitical conflicts Protectionism is on the rise in the US and EU and financial stability will be under stress in the EU. These factors will create an uncertainty around the global growth outlook in 2017. The financial markets may, therefore, witness uncertainty during this year and beyond.

Despite uncertainty on global front, India's economy has been able to move on a steady path recording a GDP of 7.1 per cent in the year goneby. Though in the coming year, India's economy will have many challenges to surmount. The protectionism of the West may constrain our ability on certain sectors.

The government has completed three years in office. The spate of reforms being undertaken is laying a solid foundation for future like 'Make in India', Ease of doing business which has paved smooth way for industries, with single window clearance where earlier multiple approvals and licensing were required and the implementation of GST, paving the way for a unified national market in goods and services. The Real Estate (Regulation and Development) Act, 2016 (RERA) which has come into effect from May 1, 2017, covers all the residential and commercial projects in every state. RERA is aimed to protect the interest of consumers, promote fair play in real estate transactions and ensure timely execution of projects.

Overall, both monetary and fiscal policy will be conducive for stable economic growth. According to IMF's World Economic Outlook Update, India's GDP is estimated to be 7.2 per cent for the financial year 2017-18

Your company being into investments and loans is hugely impacted by several factors on standalone basis as well as on consolidation. Due to sudden changes in the domestic policies and regulatory requirements, the business of subsidiary company may be affected which in turn may impact the revenue of the holding company. The management is of the opinion that in the current fiscal the sales of residential flats will pick up on account of reduction of rates on housing loans and tax benefits by Government of India. Ample liquidity post demonetization will also keep the interest costs down.

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 08, 2017

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.

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 Director-ships held*	No. of Committee Member-ships of other Companies#	No. of Committee Chairman-ships 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 (resigned w.e.f. June 21, 2016)	I / NE	4	3	1
4	Mr. Venkatesan Narayanan	I / NE	3	3	1
5	Mr. Subhash C. Bhargava	I / NE	9	9	Nil
6.	Mrs. Bhagyam Ramani	I / NE	7	4	Nil
7.	Mr. Deb Kumar Banerjee	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.

Disclosure of relationship between directors inter-se

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

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

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

Board Procedures

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

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

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

Independent Directors

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company viz. 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 2016-2017, six Board Meetings were held i.e., on May 26, 2016, August 09, 2016, October 13, 2016, November 12, 2016, February 09, 2017 and March 08, 2017.

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	6	Yes
Mr. Bipin Agarwal	6	Yes
Mr. R.S. Loona*	1	Not Applicable
Mr. Venkatesan Narayanan	6	Yes
Mr. Subhash C. Bhargava	6	Yes
Mrs. Bhagyam Ramani	4	Yes
Mr. Deb Kumar Banerjee	5	Yes

* Resigned w.e.f. June 21, 2016

3. FAMILIARISATION PROGRAMME

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

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

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

4. GOVERNANCE CODES

Code of Conduct

As required by the Listing Regulations, the Board of Directors of the Company have adopted a Code of Conduct for all Board members which incorporates the duties of Independent Directors and Senior Management of the Company. In terms of Regulation 26(3) of the Listing Regulations, the members of the Board of Directors and Senior Management have affirmed compliance of the said Code during the period under review. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

The full text of the Code is disclosed on the Company's website www.iitlgroup.com.

Code of Conduct for Prevention of Insider Trading

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 August 09, 2016. 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, seven meetings of the Audit Committee were held, the dates being May 26, 2016, August 09, 2016, November 12, 2016, December 26, 2016, February 09, 2017, March 08, 2017 and March 29, 2017.

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	7
Mr. R.S. Loona*	Member	1
Mr. Deb Kumar Banerjee	Member	6
Mr. Venkatesan Narayanan #	Member	6
Mrs. Bhagyam Ramani #	Member	2

* Ceased to be member of Audit Committee on June 21, 2016

\# Appointed as a member of Audit Committee on August 09, 2016

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, 2016.

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

Ms. Cumi Banerjee, CEO & Company Secretary acts as Secretary to the Committee and attends the meetings. Mr. Kaushik Desai, CFO also attends the meetings.

Terms of Reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing and examination, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Modified Opinion in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as prescribed by the Board of Directors from time to time.

b) Nomination and Remuneration Committee:

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

The Committee was last reconstituted on August 09, 2016.

The Key Objectives of the Committee

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

During the year under review, one meeting of the Nomination and Remuneration Committee was held on March 04, 2017.

The composition and attendance of members at the Committee Meeting as on March 31, 2017 are as follows:

Nomination and Remuneration Committee Members	Status	No. of Nomination and Remuneration Committee Meetings Attended
Mr. Subhash C. Bhargava	Chairman	1
Mr. R.S. Loona*	Member	--
Mr. Deb Kumar Banerjee	Member	1
Mr. Venkatesan Narayanan#	Member	1

* Ceased to be member of Nomination and Remuneration Committee on June 21, 2016

\# Appointed as a member of Nomination and Remuneration Committee on August 09, 2016

Terms of Reference:

a. Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommendation to the Board about their appointment and removal and carrying out evaluation of every Director's performance;

b. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

c. Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating the policy the Committee to ensure that the:

   i. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

   ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

d. In cases where any services rendered by a Director are of a professional nature to opine whether the Director possesses the requisite qualification for the practice of the profession;

e. Approve the payment of remuneration of Executive Chairman / Managing Director or Whole-time Director or a Manager (Managerial Person) for the purposes of Section II (dealing with remuneration payable by companies having no profit or inadequate profit without Central Government approval) of Part II of the Schedule V (under sections 196 and 197) of the Companies Act, 2013.

f. to look into the entire gamut of remuneration package for the working Director(s) and revise their remuneration suitably within the limits prescribed under the Companies Act, 2013 or any rules or amendments thereto, with power to consider fixing/ re-fixing salaries, perquisites and other terms of remuneration of the working Director(s) of the Company subject to approval of shareholders, where necessary;

g. to decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company;

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

Evaluation

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

Performance evaluation of Independent Directors

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

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

Pecuniary transactions with non-executive directors

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

Criteria of making payments to non-executive directors

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

Nomination and Remuneration Policy

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

Details of remuneration paid to the Executive Chairman for the year 2016-2017 are given below:

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

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

Details of remuneration paid to Non-Executive Directors for the year 2016-2017 are given below:

Sitting Fees (excluding Service Tax)

Name	Board Meetings ₹	Committee Meetings ₹	Total ₹
Mr. Bipin Agarwal	1,80,000/-	1,50,000/-	3,30,000/-
Mr. R.S. Loona*	30,000/-	90,000/-	1,20,000/-
Mr. Venkatesan Narayanan	1,80,000/-	3,90,000/-	5,70,000/-
Mr. Subhash Bhargava	1,80,000/-	4,50,000/-	6,30,000/-
Mrs. Bhagyam Ramani	1,20,000/-	60,000/-	1,80,000/-
Mr. Deb Kumar Banerjee	1,50,000/-	2,40,000/-	3,90,000/-
Total	**8,40,000/-**	**13,80,000/-**	**22,20,000/-**

* Resigned w.e.f. June 21, 2016

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, 2017.

Stock Option

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

c) Stakeholders Relationship Committee (SRC)

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee was last re-constituted on August 09, 2016.

The Committee met twice during the year on May 18, 2016 and January 13, 2017.

The composition and attendance of members at the SRC Meetings as on March 31, 2017 are as follows:

Stakeholders Relationship Committee Members	Status	No. of Stakeholders Relationship Committee Meetings Attended
Mr. R.S. Loona*	Non Executive Director - Chairman	1
Dr. B. Samal	Member	2
Mr. Deb Kumar Banerjee	Member	1
Mr. Subhash C. Bhargava#	Non Executive Director-Chairman	1
Mr. Venkatesan Narayanan$	Non Executive Director-Chairman	--

* Ceased to be member of Stakeholders Relationship Committee on June 21, 2016

\# Appointed as a member of Stakeholders Relationship Committee on August 09, 2016 and ceased to be member of Stakeholders Relationship Committee on January 28, 2017

$ Appointed as a member of Stakeholders Relationship Committee on January 28, 2017

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 CFO 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 and issue of duplicate share certificates are approved by the SRC. Transfer formalities have been attended at least once in a fortnight.

- Name and designation of Compliance Officer: Ms. Cumi Banerjee, CEO & Company Secretary
- No. of shareholders' complaints received: Nil
- No. of shareholders' complaints resolved: Nil
- No. of complaints not resolved to the satisfaction of the shareholders: Nil
- Pending complaints as on 31.03.2017: 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.

During the year under review, five meetings of Committee for Investments / Loans and Risk Management were held on May 26, 2016, August 09, 2016, December 08, 2016, March 08, 2017 and March 24, 2017.

The composition and attendance of members at the Committee for Investments / Loans and Risk Management Meetings as on March 31, 2017 are as follows:

Committee for Investments / Loans and Risk Management Members	Status	No. of Committee for Investments / Loans and Risk Management Meetings Attended
Mr. Subhash C. Bhargava	Chairman	5
Dr. B. Samal	Member	5
Mr. Bipin Agarwal	Member	3
Mr. R.S. Loona *	Member	1

* Ceased to be member of Committee for Investments / Loans and Risk Management on June 21, 2016

e) Corporate Social Responsibility Committee (CSR)

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

During the year under review, two meetings of Corporate Social Responsibility Committee were held on May 26, 2016 and March 08, 2017.

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

The composition and attendance of members at the Corporate Social Responsibility Committee Meetings as on March 31, 2017 are as follows:

Corporate Social Responsibility Committee Members	Status	No. of Corporate Social Responsibility Committee Meetings Attended
Dr. B. Samal	Chairman	2
Mr. Bipin Agarwal	Member	2
Mr. Venkatesan Narayanan	Member	2

f) Asset Liability Management Committee

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

During the year under review, the Asset Liability Management Committee met thrice on May 18, 2016, October 20, 2016 and March 04, 2017.

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 08, 2017, inter alia, to discuss:

i) Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;

ii) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

iii) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

c) Subsidiary Companies

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

The Company has formulated a Policy for determining Material Subsidiaries. The policy is available on the website of the Company. (Weblink: http://www.iitlgroup.com/newStatic/AboutUs.aspx).

As on March 31, 2017, 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 overseas and monitors the performance of subsidiary companies by following means:

i. The Audit Committee reviews the financial statements and, in particular the investments made by the unlisted subsidiary companies.

ii. The minutes of the meetings of the Board of Directors of the unlisted subsidiary companies are placed before the Board of Directors of the Company.

iii. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Board of Directors of the Company.

d) Disclosures - Related Party transactions

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

Sub-regulation (1) of Regulation 23 of SEBI Listing Regulations explains that "A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity."

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

As required under Listing Regulations, the Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. The policy is available on the website of the Company. (Weblink: http://www.iitlgroup.com/newStatic/AboutUs.aspx).

e) Vigil Mechanism/ Whistle Blower Policy

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

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

The Whistle Blower Policy has been disclosed on the Company's website under the web link http://www.iitlgroup.com/newStatic/AboutUs.aspx and circulated to all the Directors / employees.

f) 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 Non-Banking Financial Company - Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

g) Disclosure on Risk Management

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

h) CEO / CFO Certification

In terms of the requirements of Regulation 17(8) of the Listing Regulations, the Executive Chairman, Dr. B. Samal, CEO & Company Secretary, Ms. Cumi Banerjee and Mr. 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 30, 2017.

i) Non-mandatory requirements

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

i) Audit Qualifications

The Company continues to remain in the regime of unqualified financial statements and submits a Declaration with regard to Audit Reports on Standalone & Consolidated Financial Results for the year ended March 31, 2017 with unmodified opinion to the Stock Exchanges.

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

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

iii) Reporting by internal auditor

The internal auditor reports directly to the Audit Committee.

7. GENERAL BODY MEETINGS / POSTAL BALLOT

Location and time where last three AGMs were held:

Sr. No.	Date	Location	Time	Special Resolution passed
1.	September 16, 2016	M.C. Ghia Hall, 18/20, K. Dubash Marg, Mumbai - 400 001	2.30 p.m.	Nil
2.	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 2) Adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 3) Approval of Related Party Transactions under Clause 49 of the Equity Listing Agreement
3.	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 2) Approval for Related Party Transactions under Section 188 of the Companies Act, 2013

POSTAL BALLOT:

During the year, the Company approached the shareholders through postal ballot. The details of the postal ballot are as follows:

Date of Postal Ballot Notice: March 08, 2017

Voting period: March 23, 2017 to April 21, 2017

Date of declaration of result: April 22, 2017

Date of approval: April 21, 2017

Particulars of the resolution	Type of resolution	No. of votes polled	Votes cast in favor on votes polled		Votes cast against on votes polled		Votes cast invalid on votes polled	
			No. of votes	%	No. of votes	%	No. of votes	%
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 IITL Projects Limited	Ordinary	32505	26977	82.99	153	0.47	5375	16.54
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 IITL-Nimbus The Express Park View (EPV II)	Ordinary	32505	26877	82.69	153	0.47	5475	16.84

Ms. Chandanbala Mehta, Practicing Company Secretary (Membership No. F6122), was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CDSL. Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer completes the scrutiny and submits the report to the Chairman, and the consolidated results of the voting are announced by the Chairman. The results are also displayed on the Company website, www.iitlgroup.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Remote e-voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on September 16, 2017 shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

8. OTHER DISCLOSURES:

a) Related Party Transactions:

All transactions entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Note 2.23 to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued

thereunder and Regulation 23 of the Listing Regulations. The Audit Committee, during the financial year 2016-17, has approved Related Party Transactions in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on Related Party Transactions has been placed and can be accessed on the Company's website (www.iitlgroup.com).

Pursuant to the approval received from the shareholders of the Company and IITL Projects Limited (IITLPL), the Company entered into One Time Settlement (OTS) Agreement on May 18, 2017 with IITLPL for the outstanding Unsecured Loan granted by the Company to IITLPL alongwith the outstanding interest thereon.

As mentioned in the para '**Material changes and commitments occurred after the close of the year till date of this report which affects the financial position of the Company**' in the Directors' Report, the transaction of One Time Settlement (OTS) entered into with IITLPL for the outstanding Unsecured Loan granted by the Company to IITLPL alongwith the outstanding interest thereon is deemed to be a materially significant Related Party Transaction of the Company which may be considered to have potential conflict with the interest of the Company.

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

c) The Company has submitted the quarterly compliance reports to the Stock Exchanges for the Financial Year 2016-2017.

9. MEANS OF COMMUNICATIONS

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date & Time : Saturday, September 23, 2017 at 2:15 p.m.

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

b) Financial Year : 2017-2018

Adoption of Quarterly Results for

Quarter ending	In the month of **(Tentative)**
June 2017	: On or before August 14, 2017
September 2017	: On or before November 14, 2017
December 2017	: On or before February 14, 2018
March 2018 (Audited annual results)	: On or before May 30, 2018

c) Book Closure period : September 16, 2017 to September 23, 2017

d) Listing on Stock Exchange : BSE Limited, 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, 2018.

f) Stock Code at BSE : 501295

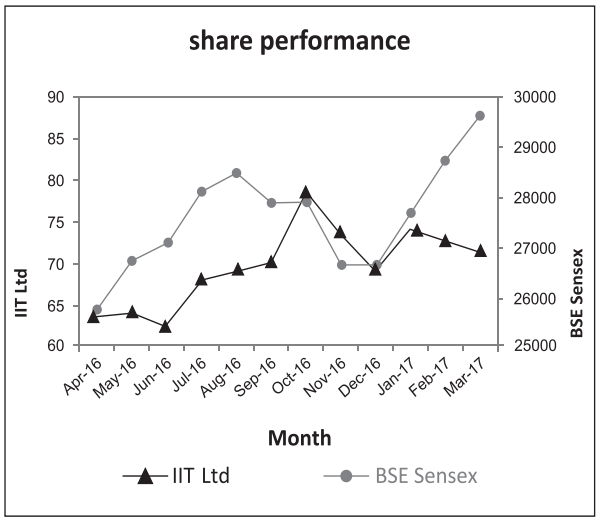
NSE Stock Symbol : IITL

g) Stock price data at the BSE and NSE

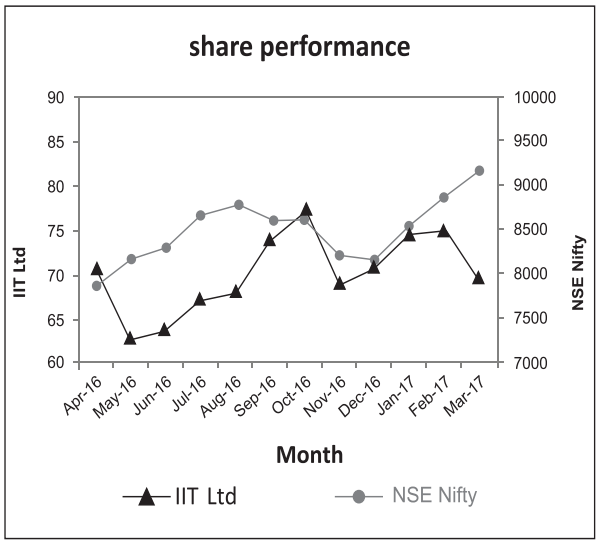
Month	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April, 2016	67.30	62.50	63.80	70.90	61.85	70.90
May, 2016	72.50	62.00	64.00	67.40	60.15	63.00
June, 2016	65.80	59.20	62.60	67.75	60.00	63.75
July, 2016	70.00	63.00	67.95	69.90	62.30	67.30
August, 2016	70.95	55.10	69.00	71.65	57.00	68.00
September, 2016	84.85	66.00	70.00	86.60	69.55	73.95
October, 2016	81.50	68.65	78.20	79.00	70.30	77.20
November, 2016	99.30	71.95	73.65	99.00	66.00	69.00
December, 2016	74.80	67.70	69.10	75.60	67.65	71.00
January, 2017	74.35	68.85	74.00	74.60	65.00	74.60
February, 2017	76.05	71.85	72.50	77.25	72.00	74.95
March, 2017	78.50	66.50	71.40	77.50	69.00	69.20

h) Graph

Share Price / BSE (Monthly Closing)



Share Price / NSE (Monthly Closing)



i) Registrar and Transfer Agents

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

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, 2017

Grouping of Shares	No. of Share-holders	% of total share-holders	No. of Shares per Category	% of total shares
1 - 500	1686	73.95	2,74,283	1.22
501 - 1000	242	10.61	2,11,448	0.94
1001 - 2000	139	6.10	2,16,899	0.96
2001 - 3000	81	3.55	2,09,281	0.93
3001 - 4000	26	1.14	91,673	0.41
4001 - 5000	33	1.45	1,61,346	0.71
5001 - 10000	39	1.71	2,85,964	1.27
10001 - 22547550	34	1.49	2,10,96,656	93.56
TOTAL	**2280**	**100.00**	**2,25,47,550**	**100.00**

Shareholding pattern as on March 31, 2017

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	6	94,32,067	41.83
Foreign Company	-	-	-
Non Resident (Individual & Companies)	43	78,827	0.35
Foreign Institutional Investors	-	-	-
Insurance Companies	3	11,93,748	5.30
Financial Institutions / Banks	16	69,150	0.31
Mutual Funds	-	-	-
Central Government / State Government(s)	2	37,200	0.17
Resident Individuals	2,071	14,61,671	6.48
Clearing Member	22	12,014	0.05
Trusts	7	47,767	0.21
Other bodies corporate	62	4,12,625	1.83
Hindu Undivided Family	47	24,931	0.11
Shares held by custodians and against which Depository Receipts have been issued	1	97,77,550	43.36
TOTAL	**2,280**	**2,25,47,550**	**100.00**

l) Dematerialisation

The Company has entered into agreements with National Security Depository Limited and Central Depository Services (India) Limited for the dematerialisation of shares. As on March 31, 2017, a total of 2,17,30,709 shares, which forms 96.38% of the share capital of the Company stands dematerialized and 8,16,841 shares which forms 3.62% of the share capital are in physical form.

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

On June 15, 2012, the Company had issued 48,88,775 Global Depositary 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, 2017, the total outstanding GDRs stood at 48,88,775.

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

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

Address of Registered Office

14 E Rajabahadur 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 this Report.

Declaration on Compliance with Code of Conduct

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

On behalf of the Board of Directors

Dr. B. Samal
Chairman
(DIN: 00007256)

Place : Mumbai
Date: August 08, 2017

TO THE MEMBERS OF
INDUSTRIAL INVESTMENT TRUST LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 17 October, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Industrial Investment Trust Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2017.

9. 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 08, 2017

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

To,

The Board of Directors
Industrial Investment Trust Limited
Mumbai

This is to certify that:

a) We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief :

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee

(i) significant changes, if any, in internal control during the year;

(ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) We have not come across any instances of fraud or fraudulent activities during the year.

Dr. B Samal	Cumi Banerjee	Kaushik Desai
Chairman	CEO & Company Secretary	Chief Financial Officer

Place : Mumbai
Date : May 30, 2017

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 I**NDUSTRIAL INVESTMENT TRUST LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 standalone 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.

In conducting 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.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us 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, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.29 of the standalone 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 2017 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, 2017.

Our opinion is not modified in respect of this matter.

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.

   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 withthe 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, as amended,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 standalone financial statements - Refer Note 2.19(i)(a) to the standalone 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.

   iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 2.30 to the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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 Order.

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

Uday M. Neogi
Partner
Membership No. 30235

MUMBAI, 30th May, 2017

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, 2017)

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, 2017 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 tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, 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 overfinancial 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 Act, to the extent applicable to an audit ofinternal 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, 2017, based onthe 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, 30th May, 2017

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 dateto the members of Industrial Investment Trust Limited on the standalone financial statements for the year ended 31st March, 2017)

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment

b) The property, plant and equipment 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 property, plant and equipment 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 carrying amount as at 31 March 2017	Net carrying amountas at 31 March 2017	Remarks
Commercial Premises located at Gayatri Chambers in Baroda admeasuring 20,000sft.	₹ 9,100,000	₹ 2,814,174	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 Order 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 but repayments of principal amounts and receipt of interest are not regular.

c) In respect of amount of ₹ 374,782,329 of principal amount of loan, given to 3 parties, which is overdue for more than 90 days, as explained to us, the Management has taken reasonable steps for recovery of the principal amount and 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 Order is 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 Order is not applicable.

vi) In respect of 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 Order is not applicable.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has 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 31st March, 2017 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 31st March, 2017on 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 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 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 Order 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-IA 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, 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	225,475,500	225,475,500
Reserves and surplus	2.2	5,113,159,630	5,169,910,210
		5,338,635,130	**5,395,385,710**
Non-current liabilities			
Long-term borrowings	2.3	-	297,929
Long term provisions	2.4	6,298,763	6,110,073
		6,298,763	**6,408,002**
Current liabilities			
Trade payables:-			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.31	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,170,811	2,570,460
Other current liabilities	2.5	7,080,557	5,818,636
Short-term provisions	2.6	891,834	2,142,469
		10,143,202	**10,531,565**
TOTAL		**5,355,077,095**	**5,412,325,277**
ASSETS			
Non-current assets			
Property, plant and equipment	2.7	4,341,442	5,149,010
Non-current investments	2.8	4,436,309,954	4,439,154,628
Deferred tax assets (net)	2.9	21,344,924	13,424,102
Long-term loans and advances	2.10	858,471,079	383,866,215
		5,320,467,399	**4,841,593,955**
Current assets			
Cash and cash equivalents	2.11	27,818,463	65,181,688
Short-term loans and advances	2.12	3,406,127	481,625,408
Other current assets	2.13	3,385,106	23,924,226
		34,609,696	**570,731,322**
TOTAL		**5,355,077,095**	**5,412,325,277**

See accompanying notes 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: 30th May, 2017

Mumbai: 30th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Revenue from operations	2.14	19,281,694	169,858,934
Other income	2.15	2,123,980	1,125,123
Total Revenue		**21,405,674**	**170,984,057**
Employee benefits expense	2.16	13,703,109	12,232,281
Finance costs	2.17	81,565	693,165
Depreciation expense			
- on investment properties		4,980	5,241
- on property, plant and equipment	2.7	858,468	1,242,806
Other expenses	2.18	25,327,699	23,812,785
Provision for diminution in value of long-term investments (net)		-	6,321,715
Net loss on sale of long-term investments (after adjusting provision for diminution in value ₹ 15,008,855 (Previous year ₹ 60,180,115))		1,050,637	17,147,466
Provision for sub-standard assets		44,978,233	36,480,000
Provision for contingency [See note 2.32]		-	5,000,000
Total expenses		**86,004,691**	**102,935,459**
(Loss)/Profit before tax		**(64,599,017)**	**68,048,598**
Tax expense:			
(a) Current tax		-	31,700,000
(b) Less: MAT Credit		-	(16,000,000)
(c) Short/(excess) provision for tax relating to earlier year		72,385	-
(d) Net current tax expense	2.9	72,385	15,700,000
(e) Deferred tax		(7,920,822)	(12,736,286)
		(7,848,437)	**2,963,714**
(Loss) /Profit for the year		**(56,750,580)**	**65,084,884**
Earnings per share:	2.22		
Basic and diluted		(2.52)	2.89
Nominal Value per equity share (₹)		10.00	10.00

See accompanying notes forming part of the financial statements

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

UDAY M. NEOGI
Partner

Mumbai: 30th May, 2017

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: 30th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net (Loss)/profit before tax	**(64,599,017)**	**68,048,598**
	Adjustments for:		
	Depreciation on property, plant and equipment	858,468	1,242,806
	Depreciation on investment property	4,980	5,241
	Interest income	(20,109,019)	(89,786,984)
	Profit on sale of investment properties (net)	-	(80,329,478)
	Profit on sale of property, plant and equipment	-	(7,306)
	Reversal of reduction in the carrying amount of long term investments	-	(58,771)
	Reversal of contingent provision against standard assets	(1,250,635)	(379,639)
	Finance costs	81,565	693,165
	Provision for compensated absences	188,690	152,072
	Provision for diminution in value of long-term investments (net)	-	6,321,715
	Provision for sub-standard asset	44,978,233	36,480,000
	Provision for contingency	-	5,000,000
	Loss on sale of long-term investments (net)	1,050,637	17,147,466
	Operating loss before working capital changes	**(38,796,098)**	**(35,471,115)**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Short-term loans and advances	1,636,952	(182,839)
	Long-term loans and advances	310,121	(5,627,553)
	Dividend account balance with banks	329,686	311,185
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(399,649)	(1,622,914)
	Other current liabilities	127,144	466,459
	Other adjustments :		
	Bank balances not considered as cash and cash equivalents		
	- Placed	(189,316,391)	(237,136,866)
	- Matured	222,816,391	243,663,656
	Proceeds from sale of long-term investments:		
	- Others	1,789,057	27,423,463
	Proceeds from sale of investment properties	-	80,395,512
	Loans given:		
	- Subsidiaries	(18,200,000)	(242,100,000)
	- Associates	(55,000,000)	(83,000,000)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
	Loans realised:		
	- Associates	35,000,000	214,087,398
	Interest received:		
	- Subsidiaries	4,156,435	13,864,114
	- Associates	32,079,733	74,408,463
	- Others	3,584,646	2,749,604
	Cash flow from operations	**118,027**	**52,228,567**
	Net income tax paid	(4,357,384)	(19,770,518)
	Net cash flow (used in) / from operating activities (A)	**(4,239,357)**	**32,458,049**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(50,900)	(300,749)
	Proceeds from sale of property, plant and equipment	-	440,000
	Advance received against sale of a unit of investment property	2,000,000	-
	Net cash flow (used in) / from investing activities (B)	**1,949,100**	**139,251**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long term borrowings	(833,466)	(750,065)
	Finance costs	(80,130)	(163,531)
	Dividend and tax on dividend paid	(329,686)	(27,448,964)
	Net cash used in financing activities (C)	**(1,243,282)**	**(28,362,560)**
	Net (decrease) / increase in Cash and cash equivalents (A+B+C)	**(3,533,539)**	**4,234,740**
	Cash and cash equivalents at the beginning of the year	6,294,439	2,059,699
	Cash and cash equivalents at the end of the year (See Note 2.11)	**2,760,900**	**6,294,439**

Note:

1 Investment is the principal business activity of the Company and therefore the cash flow relating to it is included under operating activities.

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 Cash Flow Statements.

3 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: 30th May, 2017

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: 30th May, 2017

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 taking Company or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (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-perfoming 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) Property, Plant and equipment:

Property, plant and equipment 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.

Depreciation:

(a) Depreciation on Property, plant and equipment 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 Property, plant and equipment is provided for the full period irrespective of the date of addition. No depreciation is provided on deletions to Property, plant and equipment in the year of sale.

(E) 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 Property, plant and equipment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

1.2 Significant Accounting Policies (Contd.)

(F) 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 unabosrbed 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.

(G) 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.

(H) 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.

(I) 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. <u>Defined Contribution Plan:</u>

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 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.

2. <u>Defined Benefit Plans:</u>

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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.

(J) 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.

(K) 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.

(L) 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.

(M) 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.

(N) 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 31st March, 2017	As at 31st March, 2016
	₹	₹
Authorised		
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
Issued, subscribed and fully paid-up:		
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"]		
Total	**225,475,500**	**225,475,500**

(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, 2017		As at 31st March 2016	
	No. of shares	₹	No. of shares	₹
Opening Balance	22,547,550	225,475,500	22,547,550	225,475,500
Fresh issue	-	-	-	-
Buy back	-	-	-	-
Closing balance	**22,547,550**	**225,475,500**	**22,547,550**	**225,475,500**

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.

(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.

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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	**2,294,107**	**10.17**	**2,183,427**	**9.68**
Life Insurance Corporation of India	**1,192,248**	**5.29**	**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 details of 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.2 Reserves and surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Capital Reserve		
Balance as per last Balance Sheet	**750**	**750**
Securities Premium Account		
Balance as per last Balance Sheet	**4,186,487,469**	**4,186,487,469**
General Reserve		
Balance as per last Balance Sheet	**185,542,587**	**185,542,587**
Special Reserve (as per the RBI regulations)		
Opening balance	322,407,000	309,390,023
Add: Transfer from Surplus in the Statement of Profit and Loss *	-	13,016,977
Closing balance	**322,407,000**	**322,407,000**
Surplus in Statement of Profit and Loss		
Opening balance	475,472,404	423,404,497
Add: (Loss)/Profit for the year	(56,750,580)	65,084,884
Transferred to:		
- Special Reserve *	-	13,016,977
Closing balance	**418,721,824**	**475,472,404**
Total	**5,113,159,630**	**5,169,910,210**

* In the absence of net profit for the year, no transfer has been made during the year to special reserve in terms of section 45 -IC of the Reserve Bank of India Act, 1934.

2.3 Long term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Term Loans (Secured) :		
Vehicle loan from Financial Institution:	297,929	1,131,395
Less: Current maturities of long-term debt (See note 2.5)	297,929	833,466
	-	297,929
Total	**-**	**297,929**

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, 2017: 4 (As at 31st March 2016: 16) 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 31st March, 2017	As at 31st March, 2016
	₹	₹
Provision for employee benefits:		
Compensated absences	1,298,763	1,110,073
Provision - Others:		
Provision for contigency (See note 2.32)	5,000,000	5,000,000
Total	**6,298,763**	**6,110,073**

2.5 Other current liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Current maturities of long-term debt (See note 2.3)	297,929	833,466
Unclaimed dividends *	3,557,563	3,887,249
Other payables:		
Statutory remittances (Contributions to PF, Service Tax, etc.)	657,941	557,677
Advance received against sale of a unit of investment property	2,000,000	-
Others	567,124	540,244
Total	**7,080,557**	**5,818,636**

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

2.6 Short term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Provision for employee benefits:		
Compensated absences	558,609	558,609
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	307,726	1,558,361
Total	**891,834**	**2,142,469**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.7 Property, Plant and Equipment

(₹)

ASSETS Owned	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at 1st April, 2016	Additions	Disposals / Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	On disposals	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Buildings*	**9,100,000**	**-**	**-**	**9,100,000**	**6,143,770**	**142,056**	**-**	**6,285,826**	**2,814,174**	2,956,230
	(9,100,000)	(-)	(-)	(9,100,000)	(5,994,541)	(149,229)	(-)	(6,143,770)	(2,956,230)	(3,105,459)
Furniture and fixtures	**363,919**	**-**	**-**	**363,919**	**227,244**	**37,556**	**-**	**264,800**	**99,119**	136,675
	(299,119)	(64,800)	(-)	(363,919)	(174,629)	(52,615)	(-)	(227,244)	(136,675)	(124,490)
Vehicles	**4,254,161**	**-**	**-**	**4,254,161**	**2,456,222**	**565,472**	**-**	**3,021,694**	**1,232,467**	1,797,939
	(5,871,057)	(-)	(1,616,896)	(4,254,161)	(2,815,317)	(825,107)	(1,184,202)	(2,456,222)	(1,797,939)	(3,055,740)
Office equipment	**1,496,519**	**28,800**	**-**	**1,525,319**	**1,284,084**	**87,164**	**-**	**1,371,248**	**154,071**	212,435
	(1,306,970)	(189,549)	(-)	(1,496,519)	(1,131,436)	(152,648)	(-)	(1,284,084)	(212,435)	(175,534)
Computers	**625,112**	**22,100**	**-**	**647,212**	**579,381**	**26,220**	**-**	**605,601**	**41,611**	45,731
	(578,712)	(46,400)	(-)	(625,112)	(516,174)	(63,207)	(-)	(579,381)	(45,731)	(62,538)
Total	**15,839,711**	**50,900**	**-**	**15,890,611**	**10,690,701**	**858,468**	**-**	**11,549,169**	**4,341,442**	**5,149,010**
	(17,155,858)	(300,749)	(1,616,896)	(15,839,711)	(10,632,097)	(1,242,806)	(1,184,202)	(10,690,701)	(5,149,010)	(6,523,761)

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 31st March, 2017 ₹	As at 31st March, 2016 ₹
(I) Trade Investments (valued at cost) [See Note 2.8 (a)]			
(A) Investment in Equity Instruments (fully paid-up):			
- of subsidiaries			
- quoted	**(i)**	136,123,073	136,123,073
- unquoted		144,910,000	146,410,000
- Less: Provision for diminution in the value of investments		-	(1,500,000)
	(ii)	144,910,000	144,910,000
	(i)+(ii)	**281,033,073**	**281,033,073**
- of associate, unquoted		155,181,250	155,181,250
- of joint venture, unquoted [see note 2.29]		3,400,000,000	3,400,000,000
	Total (A)	**3,836,214,323**	**3,836,214,323**
(B) Investment in Preference Shares (fully paid-up) [See Note 2.8 (a)]			
- of subsidiary			
0% Non-Convertible Redeemable Preference shares, unquoted (Refer Footnote below)		350,000,000	350,000,000
- **of associate**			
0% Cumulative Redeemable Preference shares, unquoted (Refer Footnote below)		250,000,000	250,000,000
	Total (B)	**600,000,000**	**600,000,000**
	Total (A+B)	**4,436,214,323**	**4,436,214,323**
(II) Other investments			
Investment in Equity Instruments (fully paid-up):			
- of other entities, quoted [See Note 2.8 (a)]		-	17,848,549
Less: Provision for diminution in the value of investments		-	(15,008,855)
		-	**2,839,694**
- 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)
		-	-
Investment properties (valued at cost less accumulated depreciation)			
Immovable properties (cost)		658,359	658,359
Less: Accumulated depreciation		(562,728)	(557,748)
		95,631	**100,611**
	Total	**95,631**	**100,611**
	Total	**4,436,309,954**	**4,439,154,628**
Aggregate amount of quoted investments (net of provision)		136,123,073	138,962,767
Aggregate market value of quoted investments		92,193,935	94,566,173
Aggregate value of listed but not quoted investments (net of provision)		-	-
Aggregate amount of unquoted investments (net of provision)		4,300,091,250	4,300,091,250
Investment properties		95,631	100,611

Footnote:

During the year the Company vide its Board resolution dated 8th March, 2017 and 9th February, 2017 consented to the variation of rights relating to 12% Non-Convertible Cumulative Redeemable Preference shares issued by IITL Projects Limited (IPL) and 10% Cumulative Redeemable Preference shares issued by World Resorts Limited (WRL) respectively by extending the period of redemption, increasing the premium on redemption, waiver of dividend till 31st March 2016 and reducing the coupon rate from 12% & 10% respectively to 0% w.e.f 1st April 2016. The nomenclature of the shares has also been changed from 12% Non-Convertible Cumulative Redeemable Preference shares and 10% Cumulative Redeemable Preference shares to 0% Non-Convertible Redeemable Preference shares and 0% Redeemable Preference shares respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.8 (a) Details of Non-current investments

Name of the Company	Face Value per Share ₹	As at 31st March, 2017 Holding Nos.	As at 31st March, 2017 Book Value ₹	As at 31st March, 2016 Holding Nos.	As at 31st March, 2016 Book Value ₹
(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 Private Limited	10	250,000	2,500,000	250,000	2,500,000
IITL Marketing Management Private Limited #	10	-	-	150,000	1,500,000
			144,910,000		146,410,000
Sub-total			**281,033,073**		**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 2.29]					
Future Generali India Life Insurance Company Limited	10	326,700,000	3,400,000,000	326,700,000	3,400,000,000
Total (A)			**3,836,214,323**		**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)			**4,436,214,323**		**4,437,714,323**
(II) Other investments					
Investment in Equity Instruments					
- of other entities, quoted					
Unitech Limited	2	-	-	299,625	17,848,549
Total			**-**		**17,848,549**
- of other entities, unquoted					
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
			28,148,218		**28,148,218**
Total			**28,148,218**		**45,996,767**

* Listed but unquoted as scrip has been suspended due to penal reasons

The Company's wholly owned subsidiary, IITL Marketing Management Private Limited had submitted an application to Ministry of Corporate Affairs (MCA) under 'Fast Track Exit, 2011' for striking off its name from Register of Companies. MCA vide its letter dated October 25, 2016 has intimated that the company's name has been struck off from the Register and the said company stands dissolved.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.9 Deferred tax assets

Nature of timing difference	Deferred tax assets / (liabilities) As at 31st March, 2016	(Charge) / credit for the current year	Deferred tax assets / (liabilities) As at 31st March, 2017
	₹	₹	₹
Deferred tax liabilities:			
On difference between book balance and tax balance of property, plant and equipment	(318,506)	130,423	(188,083)
Deferred tax assets:			
Disallowances under Section 43B of the Income Tax Act, 1961	577,531	(99,258)	478,273
Contingent Provision against standard assets	539,349	(460,110)	79,239
Contingent Provision against sub-standard assets	12,625,728	8,349,767	20,975,495
Deferred tax assets (net)	**13,424,102**	**7,920,822**	**21,344,924**

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

Particulars		As at 31st March, 2017	As at 31st March, 2016
	₹	₹	₹
Loans and advances to related parties [see note 2.23]			
Unsecured:			
Standard assets (including Special Mention Accounts (SMA))			
Loan to a subsidiary (SMA)		50,000,000	-
Loan to an entity under significant influence		35,000,000	20,000,000
Sub-standard asset -			
Loan to a subsidiary	364,800,000		364,800,000
Loan to an entity under significant influence	424,782,329		-
Loan to an associate	25,000,000		-
Less:- Provision for sub-standard asset	(81,458,233)	733,124,096	(36,480,000)
		818,124,096	348,320,000
Security deposits		-	190,088
Deposit placed against disputed property tax (See note 2.32)		11,216,892	10,389,567
Debit balance in gratuity fund		6,490	126,523
Advance payment of income tax [net of provisions ₹ 51,729,000 (Previous year ₹ 82,829,000)]		29,123,601	24,840,037
Total		**858,471,079**	**383,866,215**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.11 Cash and cash equivalents

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Cash and cash equivalents (As per AS 3 Cash Flow Statements)		
Cash on hand	13,241	15,346
Cheques, drafts on hand	-	1,674,000
Balances with banks:		
- In current accounts	2,742,112	4,599,546
- Others (Balance in foreign currency travellers cards)	5,547	5,547
	2,760,900	**6,294,439**
Other Bank Balances:		
- In deposit accounts with original maturity of more than 3 months	21,500,000	55,000,000
- In earmarked accounts - unpaid dividend accounts	3,557,563	3,887,249
	25,057,563	**58,887,249**
Total	**27,818,463**	**65,181,688**

2.12 Short-term loans and advances (considered good, unless otherwise stated)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Loans and advances to related parties [see note 2.23]		
Unsecured:		
Standard assets (including Special Mention Accounts (SMA))		
Loan to subsidiary	-	31,800,000
Loans to entities under significant influence [includes SMA of ₹ Nil (previous year ₹ 231,987,365)]	-	429,782,329
Loan to an associate	-	15,000,000
Advances to subsidiaries	929,913	253,266
	929,913	**476,835,595**
Other loans and advances		
Security deposits	190,088	4,106,424
Prepaid expenses	2,033,474	651,889
Advances to vendors	252,652	31,500
	2,476,214	**4,789,813**
Total	**3,406,127**	**481,625,408**

2.13 Other current assets (unsecured, considered good)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Interest accrued but not due		
- bank deposits	463,323	954,268
Interest accrued and due		
(Standard Assets - including Special Mention Accounts (SMA))		
- loans [includes SMA of ₹ 2,921,783 (previous year ₹ 16,035,194)]	2,921,783	22,969,958
Total	**3,385,106**	**23,924,226**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.14 Revenue from operations

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Interest [See Note 2.14 (a)]	19,281,694	89,426,281
Other financial services [See Note 2.14 (b)]	-	103,175
Other operating income [See Note 2.14 (c)]	-	80,329,478
Total	**19,281,694**	**169,858,934**

2.14 (a) Interest

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Interest:		
- On deposits with banks	3,093,701	3,089,186
- On loans*	16,187,993	86,337,095
Total	**19,281,694**	**89,426,281**

* Interest income is net of reversal of interest income ₹ 18,074,400 (Previous year ₹17,393,198) remaining unrealised on loans which became non-performing.

2.14 (b) Other financial services

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Dividend income on long-term quoted investments (other than trade)	-	103,175
Total	**-**	**103,175**

2.14 (c) Other operating income

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Profit on sale of investment properties (net)	-	80,329,478
Total	**-**	**80,329,478**

2.15 Other income

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Interest on deposits placed	827,325	360,703
Provision no longer required for diminution in value of long term investments	-	58,771
Reversal of contingent provision against standard assets	1,250,635	379,639
Profit on sale of property, plant and equipment	-	7,306
Miscellaneous income	46,020	318,704
Total	**2,123,980**	**1,125,123**

2.16 Employee benefits expense

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Salaries and bonus	12,318,141	10,737,391
Contribution to provident and other funds (See note 2.21)	1,117,872	1,175,453
Staff welfare expenses	267,096	319,437
Total	**13,703,109**	**12,232,281**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.17 Finance cost

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Interest on borrowings	80,130	163,531
Interest on Income Tax	1,435	529,634
Total	**81,565**	**693,165**

2.18 Other expenses

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Electricity charges (net of recovery ₹ 242,100; previous year ₹ 381,041)	931,315	1,011,053
Rent including lease rentals (net of recovery ₹ 732,000; previous year ₹ 840,000) [See Note 2.24]	4,550,700	2,942,700
Repairs and Maintenance:		
-Buildings (net of recovery ₹ 732,000; previous year ₹ 840,000)	3,221,517	4,155,143
-Others	246,745	358,830
	3,468,262	4,513,973
Insurance	419,943	313,786
Rates and taxes	372,176	465,391
Communication expenses (net of recovery ₹ 3,348; previous year ₹ 5,202)	288,163	303,843
Travelling and conveyance	1,486,526	1,684,929
Printing and stationery	353,123	333,359
Business promotion	483,135	952,872
Legal and Professional Fees	3,584,822	2,869,079
Payment to auditors [See Note 2.18 (a) below]	2,511,650	2,489,151
Investment in subsidiary - Written Off	1,500,000	-
Less:- Provision held	(1,500,000)	-
	-	-
Expenditure on Corporate Social Responsibility	2,050,000	1,100,000
Directors' fees	2,551,350	2,940,354
Membership fees	1,533,371	1,101,286
Security transaction charges	1,797	27,225
Miscellaneous expenditure	741,366	763,784
Total	**25,327,699**	**23,812,785**

2.18 (a) Payments to the auditors

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
To statutory auditors		
For Audit	800,000	800,000
For other services	1,365,000	1,350,000
For reimbursement of out of pocket expenses	13,174	10,965
Service tax	333,476	328,186
Total	**2,511,650**	**2,489,151**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.19 Contingent liabilities and commitments not provided for

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt		
- Disputed income-tax matters	7,038,768	7,038,768
- Disputed wealth-tax matter in appeal	3,250,246	3,250,246
- Disputed property tax levied by Mumbai Muncipal 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 2.32	19,869,855 *	19,869,855 *
In respect of above items, outflow of resources would depend upon the outcome of the appeal/petition.		
(b) Guarantees		
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 2017 is ₹ 73,635,169 (as at 31st March 2016 ₹ 104,543,021).

(ii) Commitments:

(a) Other Commitments

Non-cancellable contractual commitments - See Note 2.24

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

Particulars	Balance as at 31st March, 2017 ₹	Maximum balance outstanding during the year ended 31st March, 2017 ₹
Loans and advances (excluding interest accrued and due) in the nature of loans to subsidiaries, associates, firms/companies in which directors are interested:		
Subsidiaries:		
-IITL Projects Limited	**364,800,000**	**364,800,000**
	(364,800,000)	(364,800,000)
-IIT Insurance Broking and Risk Management Private Limited	**50,000,000**	**50,000,000**
	(31,800,000)	(31,800,000)
Associate Company:		
-World Resorts Limited	**25,000,000**	**25,000,000**
	(15,000,000)	(30,000,000)
Entities over which the company can exercise significant influence:		
-IITL Nimbus The Express Park View	**231,987,365**	**231,987,365**
	(231,987,365)	(235,500,000)
-IITL Nimbus The Palm Village	**30,000,000**	**30,000,000**
	(20,000,000)	(138,369,727)
-IITL Nimbus The Hyde Park Noida	**162,794,964**	**162,794,964**
	(152,794,964)	(210,000,000)
-MRG Hotels Private Limited	**35,000,000**	**45,000,000**
	(45,000,000)	(45,000,000)

Figures in brackets are for the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.21 Employee Benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹ 809,654 (previous year ₹ 740,940) 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, 2017	31st March, 2016
		₹	₹
i	Reconciliation of opening and closing balances of Defined Benefit Obligation:		
	Present value of Defined Benefit Obligation as at the beginning of the year	2,464,784	1,951,582
	Interest Cost	197,183	156,127
	Current Service Cost	356,490	333,855
	Benefits paid	-	(116,285)
	Net Actuarial (Gain)/Loss	(23,344)	139,505
	Present value of Defined Benefit Obligation as at the end of the year	**2,995,113**	**2,464,784**
ii	Reconciliation of fair value of Plan Assets:		
	Fair value of Plan Assets as at the beginning of the year	2,591,307	2,372,992
	Expected return on Plan Assets	207,305	-
	Net Actuarial Gain / (Loss)	14,806	194,974
	Employer's Contribution	188,185	139,626
	Benefits paid	-	(116,285)
	Fair value of Plan Assets as at the end of the year	**3,001,603**	**2,591,307**
	The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:		
	Bank Balance	6.37%	6.95%
	Funds maintained with Life Insurance Corporation of India	93.63%	93.05%
	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	(2,995,113)	(2,464,784)
	Fair value of Plan Assets	3,001,603	2,591,307
	Net assets recognised in the Balance Sheet	**6,490**	**126,523**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.21 Employee Benefits (contd.)

	Particulars	Gratuity (funded)	
		31st March, 2017	31st March, 2016
		₹	₹
iv	Components of Employer's Expenses		
	Current Service Cost	356,490	333,855
	Interest Cost	197,183	156,127
	Expected return on Plan Assets	(207,305)	-
	Net Actuarial (Gain)/ Loss	(38,150)	(55,469)
	Total expense recognised in Statement of Profit and Loss (See 'Contribution to provident and other funds' in Note 2.16)	**308,218**	**434,513**
	Actual return on Plan Assets	**222,111**	**194,974**
	Estimated contribution in the next year	**140,000**	**140,000**
v	Actuarial Assumptions		
	Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
	Discount rate	7.50%	8.00%
	Expected rate of return on Plan Assets	8.00%	8.27%
	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, 2017	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013
	₹	₹	₹	₹	₹
1. Present Value of Defined Benefit Obligation	2,995,113	2,464,784	1,951,582	1,590,626	1,214,994
2. Fair Value of Plan Assets	3,001,603	2,591,307	2,372,992	2,067,147	1,680,788
3. Funded Status [Surplus]	6,490	126,523	421,410	476,521	465,794
4. Net Asset	6,490	126,523	421,410	476,521	465,794
5. Experience adjustment arising on:					
a. Plan Liabilities (Gain)/Loss	(38,150)	139,505	(99)	25,444	(83,412)
b. Plan Assets (Gain)/Loss	14,806	6,319	20,221	29,784	9,737

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.22 Earnings per share

	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
		₹	₹
(a)	(Loss) / Profit for the year attributable to equity shareholders	(56,750,580)	65,084,884
(b)	Weighted average number of equity shares for Basic and Diluted Earnings per share (Nos.)	22,547,550	22,547,550
(c)	Basic and Diluted Earnings per share (Face value ₹ 10/-)	(2.52)	2.89

2.23 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 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 Infraprojects 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 @	**5,532,000**
		(4,713,676)

@ Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company

Figures in brackets are for the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.23 Related party disclosures: (contd)

(b) Other related parties:

Sr. No.	Nature of transactions	Subsidiary companies	Associate company	Entities under Significant influence
		₹	₹	₹
(i)	**Transactions during the year**			
(A)	Loans given:			
	-IITL Projects Limited	**-**		
		(219,800,000)		
	-IIT Insurance Broking and Risk Management Private Limited	**18,200,000**		
		(22,300,000)		
	-IITL Nimbus The Express Park View			**-**
				(8,000,000)
	-IITL Nimbus The Palm Village			**10,000,000**
				(20,000,000)
	-IITL Nimbus The Hyde Park Noida			**35,000,000**
				(40,000,000)
	-World Resorts Limited		**10,000,000**	
			(-)	
	-MRG Hotels Private Limited			**-**
				(15,000,000)
(B)	Refund of loans given:			
	-IITL Nimbus The Express Park View			**-**
				(3,512,635)
	-IITL Nimbus The Palm Village			**-**
				(138,369,727)
	- IITL Nimbus the Hyde Park Noida			**25,000,000**
				(57,205,036)
	-MRG Hotels Private Limited			**10,000,000**
				(-)
	-World Resorts Limited		-	
			(15,000,000)	
(C)	Interest income (net of reversal):			
	-IITL Projects Limited	**-**		
		(6,957,904)		
	-IIT Insurance Broking and Risk Management Private Limited	**6,044,431**		
		(3,113,285)		
	-IITL Nimbus The Express Park View			**-16,035,194**
				(36,289,979)
	-IITL Nimbus The Palm Village			**-311,946**
				(5,816,071)
	-IITL Nimbus The Hyde Park Noida			**17,649,914**
				(25,308,350)
	-World Resorts Limited		**3,326,713**	
			(2,968,035)	
	-MRG Hotels Private Limited			**5,514,075**
				(5,883,471)
(D)	Sale of property, plant and equipment - Vehicle			
	-World Resorts Limited		-	
			(440,000)	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.23 Related party disclosures: (contd)

Sr. No.	Nature of transactions	Subsidiary companies	Associate company	Entities under Significant influence
		₹	₹	₹
(E)	Rent Expenses:			
	-IIT Investrust Limited	**1,500,000** (1,500,000)		
	-IIT Insurance Broking and Risk Management Private Limited	**1,500,000** (-)		
(F)	Brokerage paid on sale of quoted investments:			
	-IIT Investrust Limited	**4,488** (68,775)		

(ii) Balances at year-end

Sr. No.	Nature of transactions	Subsidiary companies	Associate company	Entities under Significant influence
		₹	₹	₹
(A)	Loans oustanding as at year-end:			
	- IITL Projects Limited #	*** 364,800,000** * (364,800,000)		
	-IIT Insurance Broking and Risk Management Private Limited	**50,000,000** (31,800,000)		
	-IITL Nimbus The Express Park View			*** 231,987,365** (231,987,365)
	-IITL Nimbus The Palm Village			*** 30,000,000** (20,000,000)
	-IITL Nimbus The Hyde Park Noida			*** 162,794,964** (152,794,964)
	-World Resorts Limited		*** 25,000,000** (15,000,000)	
	-MRG Hotels Private Limited			**35,000,000** (45,000,000)
(B)	Interest accrued and due as at year-end:			
	-IIT Insurance Broking and Risk Management Private Limited	**2,921,783** (1,033,789)		
	-IITL Nimbus The Express Park View			**-** (16,035,194)
	-IITL Nimbus The Palm Village			**-** (484,672)
	-IITL Nimbus The Hyde Park Noida			**-** (5,416,303)
(C)	Advance rent paid (Prepaid Expenses)			
	-IIT Insurance Broking and Risk Management Private Limited	**1,400,000** (-)		

* Provision for sub-standard assets is made against these loans.

During the year the Company has made provision for sub-standard assets of ₹ Nil (previous year ₹ 36,480,000) against this loan and interest accrued of ₹ Nil (previous year ₹ 17,393,198) was reversed on the date this loan became Non-Performing Asset on account of restructuring. Further the company has waived off interest of ₹ 54,720,000 (previous year ₹ Nil) for the period from 1 April 2016 to 31 March 2017 on this loan as part of the One-time settlement (refer note 2.34).

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.)

2.24 Details of leasing arrangements

The Company has taken an office premise and residential premises 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 ₹ 4,550,700 (previous year: ₹ 2,942,700) [net of recoveries ₹ 732,000(previous year: ₹ 840,000)].

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹
Not later than one year	2,282,700	2,282,700
Later than one year but not later than five years	760,900	3,043,600
Later than five years	-	-
Total	**3,043,600**	**5,326,300**

2.25 Interest in joint ventures

The Company has interests in the following joint venture:

Sr. No.	Name of joint venture and country of incorporation	Year ended 31st March, 2017 % of interest	Year ended 31st March, 2016 % of interest
1	Future Generali India Life Insurance Company Limited (FGILICL) (India) (See note 2.29)	21.67	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 31 March, 2017	Year ended 31 March, 2016
		₹	₹
1	Assets	6,762,719,226	6,386,844,242
2	Liabilities	6,353,862,230	5,923,103,307
3	Income	2,228,499,092	1,810,719,102
4	Expenditure	2,417,078,360	1,891,003,509
5	Contingent liabilities	801,227	2,162,925
6	Capital commitments	21,976,420	6,092,775

2.26 Disclosure in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

2.26 (a) Capital to Risk Assets Ratio ("CRAR")

Items	As at 31st March, 2017	As at 31st March, 2016
CRAR (%)	81.11	84.60
CRAR - Tier I Capital (%)	81.08	84.48
CRAR - Tier II Capital (%)	0.03	0.12
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of perpetual Debt Instruments	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.26 (b) Exposure to Real Estate Sector ₹

Category	As at 31st March, 2017	As at 31st March, 2016
a) Direct Exposure		
i) Residential Mortgages -	Nil	Nil
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
- Individual housing loans up to ₹ 15 lakh	Nil	Nil
- Individual housing loans above ₹ 15 lakh	Nil	Nil
ii) Commercial Real Estate -	Nil	Nil
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.		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1. Residential	Nil	Nil
2. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

Note: The Company has given 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 ₹ 789,582,329 (Previous year ₹ 769,582,329). The Company also has long-term equity investments in the said subsidiary of ₹ 136,123,073 (Previous year ₹ 136,123,073).

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

Particulars	Liabilities		Assets	
	Borrowing from banks	Market Borrowing	Advances	Investments
1 day to 30/31 days (One month)	-	73,504	-	-
Over one month to 2 months	-	74,152	-	-
Over 2 months upto 3 months	-	74,807	-	-
Over 3 months to 6 months	-	75,466	-	-
Over 6 months to 1 year	-	-	-	-
Over 1 year to 3 years	-	-	818,124,096	-
Over 3 years to 5 years	-	-	-	-
Over 5 years	-	-	-	4,436,309,954
Total	**-**	**297,929**	**818,124,096**	**4,436,309,954**

Note:

1. 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. Additional disclosures in term of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016, are provided in Annexure-I and Annexure-II.

2.27 Disclosure of Restructured Accounts

₹ in lakhs

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1, 2016	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount outstanding												3,648.00	-	-	3,648.00		3,648.00	-	-	3,648.00
		Provision thereon												364.80	-	-	364.80		364.80	-	-	364.80
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, 2017	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	3,648.00	-	-	3,648.00	-	3,648.00	-	-	3,648.00
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	364.80	-	-	364.80	-	364.80	-	-	364.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

2.28 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.

2.29 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.

In August 2016 and December 2016 FGILICL came out with Rights Issues of 30,000,000 and 25,508,850 equity shares respectively of Rs. 10 each at par aggregating to ₹ 300,000,000 and ₹ 255,088,500, in the ratio of 10:484 and 21:1220 respectively. The Company did not subscribe to both the rights issues. The total subscription amount received from the other shareholders was ₹ 299,414,160 equivalent to 29,941,416 equity shares and ₹ 255,088,500 equivalent to 25,508,850 equity shares. The resultant effect is, the Company's stake in FGILICL reduced to 22.05% after the first rights issue and 21.67% after the second rights issue.

Subsequent to the year end, in April 2017, FGILICL came out with third rights issue of 75,372,514 equity shares respectively of ₹ 10 each at par aggregating to ₹ 753,725,140, in the ratio of 5:100. The Company did not subscribe to the rights issue. The total subscription amount received from the other shareholders was ₹ 753,725,140 equivalent to 75,372,514 equity shares. The resultant effect is, the Company's stake in FGILICL reduced to 20.64% after the third rights issue.

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 2017 has substantially eroded, there is no diminution other than temporary in the value of investment of the Company in FGILICL as at 31st March 2017.

2.30 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

₹

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	8,000	27,483	35,483
(+) Permitted receipts	-	95,235	95,235
(-) Permitted payments	-	77,608	77,608
(-) Amount deposited in Banks	8,000	-	8,000
Closing cash in hand as on 30th December, 2016	-	45,110	45,110

2.31 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.

2.32 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
As at 1st April	5,000,000	-
Additions		5,000,000
Utilisation/Reversal	-	-
As at 31st March	**5,000,000**	5,000,000

2.33 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 ₹ 2,050,000 (previous year ₹ 2,450,000)

(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	2,050,000	-	2,050,000
	(1,100,000)	(-)	(1,100,000)

Figures in brackets are for the previous year.

2.34 "In its meeting held on 8th March, 2017, the Board of directors approved the proposal of One-Time Settlement ("OTS") with IITL Projects Limited (IPL), the subsidiary company, in relation to unsecured outstanding loan given along with the outstanding interest thereon, as under :-

(i) Loan of ₹ 364,800,000 along with outstanding interest as on 31st March, 2016 amounting to ₹ 36,106,600 (Net of TDS) aggregating ₹ 400,906,600 would be adjusted against the transfer of assets of IPL namely 5,000,000 Zero % Non-Convertible Redeemable Preference Shares of World Resorts Limited and 10,849,120 Zero% Non-Convertible Redeemable Preference Shares of Capital Infraprojects Private Limited based on its value determined by independent valuers amounting to ₹ 283,314,407 and ₹ 117,592,193 respectively in favour of the Company.

(ii) The Company to waive off Interest accrued for the period April, 2016 to March, 2017 amounting to ₹ 54,720,000.

(iii) IPL to agree to recompense the Company in one or more installments, as may be mutually agreed between the parties at the relevant time the interest amount of ₹ 54,720,000 which has been waived off as part of One Time Settlement in case IPL turns profitable in future and has adequate cash flows.

The above proposal was approved by the members of IPL and those of the Company on 18th April, 2017 and 21st April, 2017 respectively. Subsequently the company entered into OTS agreement on 18th May, 2017 with IPL to transfer the said shares in name of the Company."

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: 30th May, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Annexure-I

Additional Disclosure in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

1. Registration/licence/authorisation, by whatever name called, obtained from other financial sector regulators:

In addition to registration with RBI as NBFC-NDSI, the Company has not obtained any registration/licence/authorisation, by whatever name called, from other financial sector regulators.

2. Ratings assigned by credit rating agencies and migration of ratings during the year:

The Company has not obtained credit ratings from credit rating agencies during the year

3. Penalties, if any, levied by any regulator:

No penalties were imposed by RBI or SEBI (being the regulator for the Company) during the year ended 31st March, 2017.

4. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries:

Sr. No.	Name of joint venture and country of incorporation	Area / Country of operation
1	Future Generali India Life Insurance Company Limited (FGILICL)	India

The Company do not have overseas subsidiaries

5. Additional Disclosures:

(a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

Particulars	(Amount in ₹)	
	31st March 2017	31st March 2016
Provisions for depreciation on Investment	4,980	6,326,956
Provision towards NPA	44,978,233	36,480,000
Provision made towards Income tax (net of deferred tax)	(7,848,437)	2,963,714
Other Provision and Contingencies (with details) (See Note 2.32)	-	5,000,000
Provision for Standard Assets	(1,250,635)	(379,639)

(b) Draw Down from Reserves

The company has not made any drawdown from reserves during the year.

(c) Concentration of Deposits (for deposit taking NBFCs) (Amount in ₹)

Particulars	31st March 2017
Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the deposit taking NBFC.	NA

(d) Concentration of Advances (Amount in ₹)

Particulars	31st March 2017
Total Advances to twenty largest borrowers *	899,582,329
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	100

* Total Advances represent Gross loans and advances to related parties as stated in Note 2.10 outstanding as at Balance sheet date

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(e) Concentration of Exposures #

(Amount in ₹)

Particulars	31st March 2017
Total Exposure to twenty largest borrowers / customers	1,815,886,652
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	100.00

Includes investments exposure.

(f) Concentration of NPAs

(Amount in ₹)

Particulars	31st March 2017
Total Exposure # to top four NPA accounts	1,675,886,652

Includes investments exposure.

(g) Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME	-
3	Corporate borrowers @	90.55
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	-

@ includes loan and advances given to partnership firms

(h) Movement of NPAs

Sr. No.	Particulars	(Amount in ₹)	
		31st March 2017	31st March 2016
(i)	Net NPAs to Net Advances (%)	89.61	39.80
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	364,800,000	-
	(b) Additions during the year	449,782,329	364,800,000
	(c) Reductions during the year	-	-
	(d) Closing balance	814,582,329	364,800,000
(iii)	Movement of Net NPAs		
	(a) Opening balance	328,320,000	-
	(b) Additions during the year	404,804,096	328,320,000
	(c) Reductions during the year	-	-
	(d) Closing balance	733,124,096	328,320,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Sr. No.	Particulars	(Amount in ₹)	
		31st March 2017	31st March 2016
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	36,480,000	-
	(b) Provisions made during the year	44,978,233	36,480,000
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	81,458,233	36,480,000

(i) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Sr. No.	Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
	NA	NA	NA	NA

(j) Off-balance Sheet SPVs sponsored

Particulars	Domestic	Overseas
Name of the SPV sponsored	NA	NA

(k) Disclosure of Complaints

Customer Complaints

Particulars		31st March 2017	31st March 2016
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

Notes :

1. Above disclosures exclude transactions/advances in the nature of reimbursements.

2. As certified by the Management and relied upon by Auditors.

Annexure II

Schedule to the Balance Sheet as at 31st March, 2017 of a non-deposit taking non-banking financial Company

₹ in Lakhs

	Particulars	31-03-2017	
	Liabilities Side:	**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured	-	-
	: Unsecured (other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans (Vehicle loan)	2.98	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans - Cash credit from bank	-	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side :	**Amount outstanding**	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : (net of provisions for doubtful loans)**		
	(a) Secured		-
	(b) Unsecured		8,181.24
	Total		**8,181.24**
(4)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	**Break-up of Investments :**		
	Current Investments (net of provisions for diminution) :		
	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)		-

(5)	Break-up of Investments : (contd.)	31-03-2017
	Long Term Investments (net of provisions for diminution) :	
	1. Quoted :	
	(i) Shares : (a) Equity	1,361.23
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. Unquoted :	
	(i) Shares : (a) Equity	37,000.91
	(b) Preference	6,000.00
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual funds	-
	(iv) Government Securities	-
	(v) Others - Immovable property	0.96
	(vi) Others-Share Application Money	-
	Total	**44,363.10**

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

	Category	31-03-2017 Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	3,783.20	3,783.20
	(b) Companies in the same group	-	575.00	575.00
	(c) Other related parties	-	3,823.04	3,823.04
	2. Other than related parties	-	-	-
	Total	-	8,181.24	8,181.24

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

	Category	31-03-2017	
		Market Value / Break up or fair value or NAV	Book Value (Net of 'Provisions)
	1. Related Parties #		
	(a) Subsidiaries	6,395.76	6,310.33
	(b) Companies in the same group	7,622.57	38,051.81
	(c) Other related parties	-	-
	2. Other than related parties @	0.96	0.96
	Total	14,019.29	44,363.10

In case of quoted investments market value is given whereas in case of unquoted investments break up value is given except for investments in preference shares where cost is given.

@ Investment in immovable properties is shown as cost less accumulated depreciation.

(8) Other information

	Particulars	31-03-2017 Amount
	(i) Gross Non-performing Assets	
	(a) Related parties	8,995.82
	(b) Other than related parties	-
	(ii) Net Non-performing Assets	
	(a) Related parties	8,181.24
	(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: 30th May, 2017

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, 2017, 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 the assets of the Group and its associates and its jointly controlled entities 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. In conducting 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.

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-paragraphs (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 and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and jointly controlled entities referred to in the Other Matters paragraph below, 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, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

a. We draw attention to Note 2.34 of the consolidated financial statement. As stated in the Note the net worth of Future Generali India Life Insurance Company Limited ("FGILICL"), a Joint Venture of the Holding Company, as at 31st March 2017 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, 2017 in the value of Goodwill on Consolidation arising on such acquisition.

b. We draw attention to Note 2.38 of the consolidated financial statement. In case of FGILICL, their auditors in their report under Emphasis of Matters paragraph stated regarding accounting of expenses in excess of limits specified by Insurance Regulatory and Development Authority of India ("IRDAI") Expenses of Management Rules 2016, aggregating ₹ 1,521,439,000(the Company's proportionate share ₹ 329,695,831). The FGILICL has applied to IRDAI for forbearance of same, but approval from the IRDAI is still awaited.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of four subsidiaries and five jointly controlled entities, whose financial statements reflect total assets of ₹ 11,218,794,104 as at 31stMarch, 2017, total revenues of ₹ 3,226,951,529 and net cash (outflows) amounting to ₹ 51,066,702 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 profit of ₹ 4,022,631 for the year ended 31st March, 2017, 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors.

(b) In the case of FGILICL, their auditors in their report under Other Matters paragraph stated that the actuarial valuation of liabilities for life policies in-force and policies where premium is discontinued but liability exists as at 31st March, 2017, is the responsibility of the Company's

Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities as at 31st March, 2017 has been duly certified by the appointed actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the generally accepted actuarial principles and practices, requirements of the Insurance Act, regulations notified by the Insurance Regulatory Development Authority of India ("IRDAI") and Actuarial Practice Standards issued by the Actuarial Society of India in concurrence with the IRDAI. Accordingly, FGILICL auditors have relied upon the Appointed Actuary's certificate for forming their opinion on the financial statements of the company.

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 other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities,referred in the Other Matters paragraph above, 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 matters described in the Emphasis of Matters 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, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the other directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017 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 unmodified opinion on the operating effectiveness of the Holding company's, its subsidiary companies', associate companies'and jointly controlled companies' incorporated in India.

(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, as amended, 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 positionof the Group, its associates and jointly controlled entities. Refer Note 2.26 (i) (a) to the consolidated financial statements.

ii. In case of jointly controlled companies provision has been made in the consolidated financial statements, 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate companies and jointly controlled companies incorporated in India.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group and jointly controlled entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by the Group and jointly controlled entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective the Holding Company, its subsidiary, its Associate Company and jointly controlled entities which are incompound in India Refer Note 2.40 to the consolidated financial statements.

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

Uday M. Neogi
Partner
(Membership No. 30235)

MUMBAI: 30th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph(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, 2017)

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, 2017, 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 onthe 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 internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India,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 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 the 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 reportingof the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the sub-paragraph (a) of the Other Matters paragraph below, the Holding Company and its subsidiary companies, associate companies and jointly controlled companies which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of 31stMarch, 2017, 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 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 solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of these matters.

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

Uday M. Neogi
Partner
(Membership No.30235)

MUMBAI, 30th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	225,475,500	225,475,500
Reserves and surplus	2.2	4,678,961,407	4,902,898,468
		4,904,436,907	**5,128,373,968**
Minority Interest		**1,700,476**	**13,992,512**
Non-current liabilities			
Long-Term borrowings	2.3	187,433,227	148,144,737
Other long-term liabilities			
- Policy Liabilities (Policyholder's Fund)		5,927,839,715	5,533,869,472
- Other	2.4	979,531,434	1,052,164,364
Long-term provisions	2.5	13,754,875	16,573,985
		7,108,559,251	**6,750,752,558**
Current liabilities			
Short term borrowings	2.6	454,145,000	433,498,599
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises; and	2.35	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,299,021,988	1,164,826,629
Other current liabilities			
-Policy Liabilities (Policyholder's Fund)		127,111,356	167,268,515
-Other	2.7	1,054,883,259	1,090,033,523
Short-term provisions	2.8	8,782,449	8,974,053
		2,943,944,052	**2,864,601,319**
TOTAL		**14,958,640,686**	**14,757,720,357**
ASSETS			
Non-current assets			
Property, Plant and Equipment	2.9		
(i) Tangible assets		116,697,667	122,834,923
(ii) Intangible assets		19,176,512	13,153,186
(iii) Capital work-in-progress		7,292,335	2,182,785
Goodwill on consolidation (See Note 2.34)		2,752,790,349	2,849,438,501
Non-current investments	2.10	6,082,037,602	6,196,611,388
Deferred tax assets (net)	2.11	24,942,007	17,731,336
Long-term loans and advances	2.12	371,970,980	122,904,900
Other non-current assets	2.13	25,546,757	18,027,409
		9,400,454,209	**9,342,884,428**
Current assets			
Current investments	2.14	811,940,187	425,850,474
Inventories	2.15	3,481,703,447	3,547,107,539
Trade receivables	2.16	309,029,640	330,465,673
Cash and cash equivalents	2.17	250,143,799	255,577,017
Short-term loans and advances	2.18	324,400,157	520,167,412
Other current assets	2.19	380,969,247	335,667,814
		5,558,186,477	**5,414,835,929**
TOTAL		**14,958,640,686**	**14,757,720,357**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

UDAY M. NEOGI
Partner

Mumbai: 30th May, 2017

For and on behalf of the Board of Directors

Dr. B. SAMAL
Chairman

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 30th May, 2017

BIPIN AGARWAL
Director

KAUSHIK DESAI
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the Year ended 31st March, 2017 ₹	For the Year ended 31st March, 2016 ₹
Revenue from operations	2.20	1,001,662,812	1,451,156,082
Premium from Insurance Business		1,534,127,397	1,280,888,509
Other Operating income from Insurance Business		678,327,466	510,518,947
Other Income from Insurance Business		16,044,230	19,311,647
Gain on deemed disposal of partial interest in FGILICL (See Note 2.34)		5,805,556	-
Other income	2.21	13,355,398	17,509,178
Total Revenue		**3,249,322,859**	**3,279,384,362**
Cost of sales	2.22	870,931,705	1,253,854,252
Employee benefits expense	2.23	40,127,456	43,445,469
Finance costs	2.24	62,123,708	63,830,946
Benefits paid pertaining to Insurance Business (Net)		878,343,773	956,716,820
Commission and Operating expenses pertaining to Insurance Business		451,233,344	380,292,058
Other expenses pertaining to Insurance Business		1,086,578,085	552,238,464
Depreciation and amortisation expense			
- on investment properties		4,980	5,241
- property plants and equipment	2.9	6,005,903	6,882,913
Other expenses	2.25	107,550,490	86,441,621
Provision for diminution in value of long-term investments		-	4,821,715
Provisions for sub-standard assets		24,394,085	-
Net loss on sale of long-term investments (after adjusting provision for diminution in value ₹ 15,008,855 (Previous year ₹ 60,180,115)		1,050,637	17,078,691
Provision for contigency (See Note 2.36)		-	5,000,000
Total expenses		**3,528,344,166**	**3,370,608,190**
Profit/(Loss) before tax		**(279,021,307)**	**(91,223,828)**
Tax expense/(benefit):			
- Current tax		2,250,000	33,011,759
- MAT credit		-	(16,000,000)
- Short provision for tax relating to prior years		602,937	727,235
- Net current tax expense		2,852,937	17,738,994
- Deferred tax		(7,210,671)	(12,682,700)
Net tax expense		**(4,357,734)**	**5,056,294**
Profit/(Loss) after tax before share of profit/ (loss) of associates and minority interest		**(274,663,573)**	**(96,280,122)**
Share in Profit/(loss) of associates (net)		4,022,631	(3,764,561)
Profit/(Loss) after tax before share of profit/(loss) attributable to minority interest		**(270,640,942)**	**(100,044,683)**
Share of profit/(loss) attributable to Minority interest		(12,292,036)	(24,215,700)
Profit/(Loss) for the year attributable to shareholders of the Company		**(258,348,906)**	**(75,828,983)**
Earnings per equity share:	2.29		
Basic and Diluted		(11.46)	(3.36)
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 DELOITTE HASKINS & SELLS
Chartered Accountants

UDAY M. NEOGI
Partner

Mumbai: 30th May, 2017

For and on behalf of the Board of Directors

Dr. B. SAMAL
Chairman

CUMI BANERJEE
CEO & Company Secretary

Mumbai: 30th May, 2017

BIPIN AGARWAL
Director

KAUSHIK DESAI
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the Year ended 31st March, 2017 ₹	For the Year ended 31st March, 2016 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	**(279,021,307)**	**(91,223,828)**
Adjustments for:		
Depreciation on Property, Plant and Equipment *	27,683,641	26,492,731
Depreciation on investment properties	4,980	5,241
Interest income **	(16,932,331)	(58,692,190)
Bad debt written off	-	467,206
Profit on sale of investment properties (net)	-	(80,329,478)
Finance costs	62,123,708	63,830,946
Dividend income **	(12,299,925)	(16,376,745)
Amounts no longer payable written back	(1,690,456)	(5,997,983)
Provision for diminution in value of long term investments	-	4,821,715
Provisions for sub-standard assets	24,394,085	-
Reversal of contingent provision against standard assets	(1,250,635)	(379,639)
Provision no longer required for diminution in value of long term investments	-	(58,771)
Gain on deemed disposal of partial interest in FGILICL	(5,805,556)	-
(Profit) / loss on sale of Property, Plant and Equipment	(30,859)	(7,306)
Net loss on sale of long term investments	1,050,637	93,276,330
Provision for contingency	-	5,000,000
Operating (loss) / profit before working capital changes	**(201,774,018)**	**(59,171,771)**
Changes in working capital (See Note 4 below)		
Adjustments for (increase) / decrease in operating assets:		
Inventories (See Note 2 below)	107,425,614	(270,455,679)
Trade receivables	18,250,923	101,843,574
Short-term loans and advances	(64,927,402)	(13,764,863)
Long-term loans and advances	(1,074,209)	7,956,471
Other current assets	(60,563,743)	(139,334,669)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	140,395,016	385,592,168
Other current liabilities	(221,952,300)	(469,406,580)
Short-term provisions	4,462,762	162,687
Other long-term liabilities	(72,632,929)	6,987,297
Policy Liabilities	563,524,559	80,970,405
Long-term provisions	(2,516,741)	3,539,048
Other adjustments :		
Bank balances not considered as cash and cash equivalents		
-Placed	(189,316,391)	(237,136,866)
-Matured	222,816,391	243,663,656
Sale of long-term investments		
-Others	1,789,057	27,492,238
Proceeds from sale of investment properties	-	80,395,512
Loans Given		
-Associate	(10,000,000)	-
-Joint Venture	(25,375,000)	(34,700,000)
-Entities under significant influence	-	(15,000,000)
Repayment of loans		
-Associate	10,000,000	15,000,000
-Joint Venture	12,500,000	111,590,758
Interest received		
-Associate	3,326,713	3,984,999
-Others	20,727,716	42,344,077
Cash generated from / (used in) operations	**255,086,018**	**(127,447,538)**
Net income tax paid	(2,339,599)	(26,322,246)
Net cash generated from / (used in) operating activities (A)	**252,746,419**	**(153,769,784)**

* Includes depreciation included under Commission and Operating expenses pertaining to Insurance Business.

** Includes Interest income/ Dividend income included under Other Income from Insurance Business.

Particulars	For the Year ended 31st March, 2017 ₹	For the Year ended 31st March, 2016 ₹
B. CASH FLOW FROM INVESTING ACTIVITIES		
Bank balances not considered as cash and cash equivalents	(45,804,409)	21,320,777
Purchase of non current investments	(405,499,967)	(283,755,940)
Purchase of current investments	(261,474,300)	(349,778,870)
Proceeds from Sale of non current investments	70,503,844	446,097,869
Proceeds from Sale of current investments	140,217,743	119,604,966
Interest received	317,679	15,856,154
Dividend income	12,299,925	16,376,745
Advance received against sale of a unit of investment property	2,000,000	-
Purchase of Property, Plant and Equipment	(33,311,000)	(52,551,795)
Proceeds from sale of Property, Plant and Equipment	123,295	440,000
Net cash generated from / (used in) investing activities (B)	**(520,627,190)**	**(66,390,094)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from rights issue of shares by a Joint Venture Entity (See Note 2.34)	120,173,795	-
Proceeds from long term borrowings	270,573,465	168,667,808
Repayment of long term borrowings	(50,829,466)	(10,746,065)
Proceeds from short term borrowings (net)	20,646,401	170,498,599
Finance cost (See Note 2 below)	(95,656,766)	(96,507,778)
Dividend paid on equity and preference shares	(329,686)	(22,858,735)
Tax on dividend paid	-	(4,590,230)
Net cash generated from / (used in) financing activities (C)	**264,577,743**	**204,463,599**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,303,028)**	**(15,696,279)**
Cash and cash equivalents at the beginning of the year	180,979,070	196,675,349
Less : Share in Cash and cash equivalents relating to decrease in Company's share on partial disposal of interest in a Joint Venture (See Note 2.34)	(4,219,735)	-
Cash and cash equivalents at the end of the year (See Note 2.17)	**173,456,307**	**180,979,070**

Notes:

1 Cash flows relating to investment activities of the Holding company are included under operating activities.

2 Changes in inventories is after adjusting borrowing costs capitalised. Finance cost is inclusive of amount capitalised under inventories.

3 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.

4 Changes in working capital has been determined after reducing decrease in interest in FGILICL consequent to non subscription by the Company to the rights issue made by FGILICL referred to in Note 2.34, from the opening balances of the working capital.

5 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: 30th May, 2017

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: 30th May, 2017

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 (together referred to as "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, 2017	For the year ended 31st March, 2016
	Extent of holding (%)	Extent of holding (%)
(i) IIT Investrust 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) (up to October 25, 2016)	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, 2017	For the year ended 31st March, 2016
	Extent of holding (%)	Extent of holding (%)
(i) Capital Infraprojects Private Limited (CIPL)	50	50
(ii) IITL Nimbus The Hyde Park Noida (INHP) - Partnership Firm (w.e.f. 10th Nov, 2015)	50	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) (See note 2.34)	21.67	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, 2017	For the year ended 31st March, 2016
	Extent of holding (%)	Extent of holding (%)
Golden Palms Facitly Management Private Limited (GPFMPL) (w.e.f. 27.07.2015)	50	50
World Resorts Limited (WRL)	25	25

1.3 Principles of consolidation:

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

(i) The Financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act.

(ii) The financial statements of the jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized 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.

(iii) The financial statements of the subsidiaries and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March, 2017 except in respect of IITL Marketing Management Private Limited whose name has been struck off from Register of Companies on October 25, 2016 and company stands dissolved on that date.

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

(v) 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.

(vi) 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 taking or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

"The financial statements of FGILICL are prepared and presented under the historical cost convention, unless otherwise stated, and on the accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act, 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016 read with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with the provisions of the Insurance Act, 1938 as amended from time to time, including amendment brought by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 as amended from time to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

time, and the regulations framed thereunder, various circulars issued by the Insurance Regulatory and Development Authority of India (IRDAI) from time to time and the practices prevailing within the insurance industry in India. The accounting policies have been consistently applied by the company. The management evaluates all newly issued or revised accounting pronouncements on an ongoing basis to ensure due compliance.

(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 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 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.

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 in which such changes are determined.

Sale of units in completed project is recognised at the sale consideration when all significant risks and rewards of ownership in the property is transferred to the buyer and are net of adjustments on account of cancellation.

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.

1.4 Significant Accounting Policies: (contd.)

(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.

(l) Revenues from consultancy services are accounted on accrual basis in accordance with the terms of agreements.

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 linked business, premium income (Net of Service Tax) is recognised when the associated units are allotted.

(b) Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

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 recognised 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) Bonus shares are recognised when the right to receive bonus shares is established and are accounted on Ex-Bonus Date.

(h) Income from linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, is recovered from the linked funds in accordance with the terms and conditions of the insurance contracts and is accounted for as income when due.

(i) Interest income on loans is accounted for on an accrual basis.

(j) Dividend income is recognised when the right to receive dividend is established and is accounted on Ex-Dividend Date.

Reinsurance premium :

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

(iv) Inventories :

(a) Stock of units in completed projects and construction work-in-progress are valued at lower of cost and net realisable value. Cost is aggregate of land cost, premium for development rights, materials, contract works, direct expenses, provisions and apportioned borrowing costs and is net of material scrap receipts, and in case of construction work-in-progress is 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) Property, Plant and Equipment :

Tangible Asstes :

Property, plant and equipment 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. 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.

Depreciation and amortisation:

(a) Depreciation on Property, plant and equipment is provided on the written down value basis as per the useful life prescribed in Schedule II to the 2013 Act, except in respect of: (a) 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 Property, plant and equipment 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 Property, plant and equipment is provided for the full year irrespective of the date of addition and no depreciation is provided on deletions to Property, plant and equipment 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 and in respect of FGILICL and CIPL where depreciation is charged on pro rata basis for the assets purchased/sold during the year.

(d) Computer software is amortised over the period of its estimated useful life ranging from 2 to 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

(vi) 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 Property, plant and equipment.

1.4 Significant Accounting Policies: (contd.)

Insurance Business :

Investments are made in accordance with the Insurance Act, 1938, as amended by the Insurance Law (Amendment Act), 2016,the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended and circulars/notifications issued by the IRDAI 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 "Current Investments". Investments other than short term are classified as "Non-current 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 previous day's Net Asset Value (NAV) per unit. Listed equity securities and ETFs are measured at fair value on the balance sheet date. For the purpose of determining fair value, these 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. Reverse Repo is valued at cost. In respect of investment in equity shares, ETFs 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. All assets where the interest and/ or installment of principal repayment remain overdue for more than 90 days at the Balance Sheet date are classified as Non-Performing Assets (NPA).

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 Income Money Market & 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, these 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. Unrealized gain or losses are recognised in the scheme's Revenue account. Reverse Repo is valued at cost. Fixed Deposits are valued at cost till the date of maturity. Mutual fund units are valued at previous day's Net Asset Value per unit. All assets where the interest and/ or installment of principal repayment remain overdue for more than 90 days at the Balance Sheet date are classified as Non-Performing Assets (NPA).

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, a) For Equity, Preference Shares, ETFs and Government Securities, market price of the latest trade. In such case, deal is entered into the system within one hour of taking such quote or price b) In case of securities mentioned in (a) if the trade has not taken place on the day of transfer and for all other securities not part of (a) previous day valuation price. No transfer of investments is made between non linked Policyholder's funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

(vii) 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. "

(viii) 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.

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

(x) 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

1.4 Significant Accounting Policies: (contd.)

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, IITIL and IITIBRMPL 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.

(xi) Borrowing costs:

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

(xii) Operating Lease:

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

(xiii) 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 Consolidat ed 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.4 Significant Accounting Policies: (contd.)

(xiv) 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.

(xv) 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.

(xvi) Cash and cash equivalent (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), CBLO, Reverse Repo, highly liquid mutual funds and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(xvii) 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.

(xviii) 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 and surrender 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 the funds for future appropriations account represents funds, the allocation of which, either to participating Policyholders or to Shareholders, has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income

1.4 Significant Accounting Policies: (contd.)

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,) 2016, Solvency Margin of Insurers Regulations, 2000 and other relevant regulations and circulars issued by the IRDAI from time to time. The Liabilities are calculated in the manner that together with estimated future premium income and investment income, the company can meet estimated future claims (including bonus entitlement to the policyholders) and expenses. 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, 2017 are stated below:

(a) 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), For non-linked pension product (Future Generali Pension), liability is floored to the policyholder pension fund account (PPFA) which is calculated using the premiums accumulated with past declared bonuses;

(b) For the non-linked non-participating "Guarantee Advantage" plan, the accumulated balance in Policy Account, net of charges, accumulated at the rate of crediting interest declared in advance on a quarterly basis as on valuation date at a policy level akin to fund value. Additional reserve equivalent to, present value of expenses and benefits less present value of fees (Allocation fees, Insurance fees, Policy administration fees and investment fees) discounted at valuation rate of interest, akin to non-unit reserves. Reserve for loyalty addition is calculated as Present value of loyalty addition payable at maturity/death calculated for all in-force policies discounted at valuation rate of interest.;

(c) 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;

(d) Individual business for Riders reserves has been calcuated as liabilities have been calculated as higher of Gross Premium Valuation method and Unearned Premium Reserve method. For group business, the rider reserve is computed by the Unearned Premium Reserve method;

(e) For Group Term insurance, reserves are calculated using the Unexpired Premium Reserve (UPR) methodology. Credit for reinsurance is taken in the calculation of this reserve;

(f) For Group Credit Suraksha, Gross Premium Valuation Reserve method has been used similar to individual business as outlined earlier;

(g) For Non Linked Group Traditional Fund Products (Non VIP), the contributions net of withdrawals are being accumulated using the crediting rate which is calculated as yield less expenses, if any. The Crediting rate is declared annually in arrears;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(h) For the Non Linked Group Traditional Fund Products (VIP) - Gratuity and Leave Encashment, the fund along with the net contributions are credited with the minimum guaranteed floor rate of 1% and then accumulated at the interest rate which is declared quarterly in advance;

(i) For Non Linked Group Traditional Fund Products (VIP) - Group Superannuation, the contributions net of withdrawals are 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 is credited to the fund reserve;

(j) For Linked Saving Suraksha products, reserves consists of Unit reserves which is higher of Fund value as on Valuation date or number of units multiplied by the published unit prices or NAV as on Valuation date. Additional reserves are provided at member level by taking mortality charge and policy admin charge based on unexpired period;

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. Freelook cancellation reserve

e. Reserves for paid up policies eligible for revivals

f. Reserves for lapsed policies eligible for revivals

g. Reserve for incurred but not reported claims

h. Discontinued Penalty

i. Group Resilience Reserve

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: 6.55% (previous year 6.70%) per annum for 1st five years and 5.85% (previous year 5.90%) thereafter for participating business, annuity business and group credit suraksha. 5.55% (previous year 5.70%) per annum for 1st five years and 4.85% (previous year 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 and health products 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% (previous year 4% p.a.) per annum applied monthly on fixed renewal expenses.

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

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

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

Unit Growth Rate: 7% per annum (previous year7% per annum)

Tax Rate: The tax rate applicable for valuation at March 31, 2017 is 14.42% p.a. (March 31, 2016 was 14.42%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.1 Share Capital

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Authorised		
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
Issued, subscribed and fully paid-up:		
22,547,550 (previous year 22,547,550) Equity shares of ₹ 10 each [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"]	225,475,500	225,475,500
Total	**225,475,500**	**225,475,500**

(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, 2017		As at 31st March, 2016	
	No. of shares	₹	No. of shares	₹
Opening Balance	22,547,550	225,475,500	22,547,550	225,475,500
Fresh issue	-	-	-	-
Buy Back	-	-	-	-
Closing balance	**22,547,550**	**225,475,500**	**22,547,550**	**225,475,500**

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.

(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.

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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	2,294,107	10.17	2,183,427	9.68
Life Insurance Corporation of India	1,192,248	5.29	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.

2.2 Reserves and Surplus

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Capital Reserve		
Balance as per last Consolidated Balance Sheet	750	750
Capital reserve on consolidation		
Balance as per last Consolidated Balance Sheet	702,000	702,000
Capital Redemption Reserve		
Balance as per last Consolidated Balance Sheet	15,000,000	15,000,000
Fair Value Change	13,275,789	(17,965,831)
General Reserve		
Balance as per last Consolidated Balance Sheet	195,597,506	195,597,506
Special Reserve (as per the RBI regulations)		
Opening balance	322,407,000	309,390,023
Add: Transfer from Surplus in the Consolidated Statement of Profit and Loss	-	13,016,977
Closing balance	**322,407,000**	**322,407,000**
Securities Premium Account		
Balance as per last Consolidated Balance Sheet	**4,186,487,469**	**4,186,487,469**
Surplus in Consolidated Statement of Profit and Loss		
Opening balance	200,669,574	289,515,534
Add: Loss for the year	(258,348,906)	(75,828,983)
Less: Reversal of tax on proposed dividend for an earlier year by a jointly controlled entity	(3,170,225)	-
Transferred to:		
- Special Reserve	-	13,016,977
Closing balance	**(54,509,107)**	**200,669,574**
Total	**4,678,961,407**	**4,902,898,468**

* In the absence of net profit for the year, no transfer has been made by the Holding Company during the year to special reserve in terms of section 45 -IC of the Reserve Bank of India Act, 1934.

2.3 Long Term Borrowings

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Term Loans:		
From banks (Secured)	418,420,273	197,842,808
Less: Current maturities of long-term debt (See Note 2.7)	(230,987,046)	(49,996,000)
	187,433,227	147,846,808
From other parties		
Vehicle Loan from Kotak Mahindra Prime Limited (Secured)	297,929	1,131,395
Less: Current maturities of long-term debt (See Note 2.7)	(297,929)	(833,466)
	-	297,929
Total	**187,433,227**	**148,144,737**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Notes :

Details of terms of repayment and security provided:

Terms of Repayment	Security details
Loans from banks: **Axis Bank Ltd.: ₹ 19,179,000 (Previous year ₹ 29,175000)** 59 Equated Monthly Installments (EMI) each of ₹ 833,333 and last installment of ₹ 833,000; Number of Installments outstanding as at 31st March, 2017: 23 (As at 31st March 2016: 35)	Secured by equitable mortgage on Immovable Property.
Bank of India: - ₹ 117,259,180 (Previous year ₹ 71,499,348) (Amount not yet fully drawn) Repayable in 6 quarterly installments of ₹ 2 crores each (group's share) and the 7th installment amounting to ₹ 8 crores (group's share), commencing from December, 2016 after intial 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.
Consortium of Banks: ₹ 281,982,093 (Previous year ₹ 97,168,460) Repayable in 8 quarterly installments of ₹ 35,247,762 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.
Loan from other parties: Kotak Mahindra Prime Limited: ₹ 297,929 (Previous year ₹ 1,131,395) Repayable in 35 Equated Monthly Installments (EMI) each of ₹ 76,133; Number of Installments outstanding as at 31st March, 2017: 4 (As at 31st March 2016: 16)	Secured by hypothecation of the vehicle purchased from the loan.
Interest rates: Interest rates for the above loans ranges from 10.25% to 13.75%.	

2.4 Other long-term liabilities

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Trade payables		
- Premium for development rights	782,023,580	874,824,764
Others		
- Retention money	45,968,003	40,886,486
- Interest free maintenance security	36,127,510	26,974,596
- Sinking Fund	7,234,875	3,676,051
- Advance for sale of Land	108,177,467	105,802,467
Total	**979,531,434**	**1,052,164,364**

2.5 Long-term provisions

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Provision for employee benefits:		
- Compensated absences	5,052,148	8,562,128
- Gratuity (See Note 2.31)	3,702,727	3,011,857
Provision - Others:		
- Provision for contigency (See Note 2.36)	5,000,000	5,000,000
Total	**13,754,875**	**16,573,985**

2.6 Short-term borrowings

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Loans repayable on demand		
From other parties (Unsecured)	139,575,000	183,928,599
Loan and advances		
From related parties (Unsecured) (See Note 2.30)	314,570,000	249,570,000
Total	**454,145,000**	**433,498,599**

2.7 Other current liabilities

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Current maturities of long-term borrowings (See Note 2.3)	231,284,975	50,829,466
Unpaid dividends *	3,557,563	3,887,249
Interest accured and due on borrowings	13,897,750	9,361,403
Interest accured but not due on borrowings	50,366,578	45,855,068
Other payables		
- Lease Rent Payable	-	7,886,445
- Security deposits received	147,579,629	121,167,778
- Statutory remittances	15,061,605	32,993,174
- Interest free maintenance security received from customers	-	14,413,302
- Booking advance refundable to customer	254,094	697,056
- Advances received from customers (including the progress billings for which amounts are not received)	461,774,862	715,220,989
- Payable to Residential Welfare Association	8,786,559	-
- Payable to facility manager	3,380,543	-
- Interest payable on refund to customers	-	1,018,403
- Others	118,939,101	86,703,190
Total	**1,054,883,259**	**1,090,033,523**

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

2.8 Short term provisions

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Provision for employee benefits:		
Compensated absences	4,432,935	1,054,482
Gratuity (See Note 2.31)	1,333,445	249,135
	5,766,380	**1,303,617**
Provision - Others:		
Provision for Income tax (net of advance tax)	651,525	885,032
Provision for VAT	2,056,818	2,056,818
Contingent Provision against Standard Assets	307,726	1,558,361
Tax on proposed dividend	-	3,170,225
Total	**8,782,449**	**8,974,053**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.9 Property, Plant and Equipment

(₹)

ASSETS	GROSS CARRYING AMOUNT					DEPRECIATION AND AMORTISATION					NET BLOCK
	As at 1st April, 2016	Adjustment on account of Change in share in a joint venture entity	Additions	Disposals	As at 31st March, 2017	As at 1st April, 2016	Adjustment on account of Change in share in a joint venture entity	For the year *	On disposals	As at 31st March, 2017	As at 31st March, 2017
TANGIBLE											
Buildings	109,463,520	-	-	-	109,463,520	20,126,519	-	4,303,131	-	24,429,650	85,033,870
	(109,463,520)	(-)	(-)	(-)	(109,463,520)	(15,605,627)	(-)	(4,520,892)	(-)	(20,126,519)	(89,337,001)
Leasehold Improvement	10,445,386	-384,225	960,310	-	11,021,471	2,501,590	-92,019	2,285,801	-	4,695,372	6,326,099
	(575,747)	(-)	(9,869,639)	(-)	(10,445,386)	(32,571)	(-)	(2,469,019)	(-)	(2,501,590)	(7,943,796)
Furniture and fixtures	14,621,322	-374,708	760,866	89,100	14,918,380	4,928,466	-101,691	2,251,337	39,100	7,039,012	7,879,368
	(3,778,336)	(97,631)	(10,745,355)	(-)	(14,621,322)	(1,730,929)	(30,992)	(3,166,545)	(-)	(4,928,466)	(9,692,856)
Vehicles	7,046,975	-66,259	183,601	-	7,164,317	3,676,272	-28,018	851,002	-	4,499,256	2,665,061
	(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)	(3,370,703)
Plant and machinery	1,891,441	-	436,135	-	2,327,576	741,401	-	176,066	-	917,467	1,410,109
	(1,577,393)	(60,596)	(253,452)	(-)	(1,891,441)	(546,424)	(20,932)	(174,045)	(-)	(741,401)	(1,150,040)
Office equipment	12,901,702	-300,249	488,148	57,615	13,031,986	7,820,858	-151,764	2,901,887	53,685	10,517,296	2,514,690
	(4,541,687)	(63,851)	(8,296,164)	(-)	(12,901,702)	(3,172,705)	(29,971)	(4,618,182)	(-)	(7,820,858)	(5,080,844)
Computers	20,998,133	-352,122	9,938,587	647,448	29,937,150	14,738,450	-160,556	5,099,728	608,942	19,068,680	10,868,470
	(11,510,109)	(140,440)	(9,347,584)	(-)	(20,998,133)	(9,940,258)	(120,083)	(4,678,940)	(831)	(14,738,450)	(6,259,683)
Sub-total	**177,368,479**	**-1,477,563**	**12,767,647**	**794,163**	**187,864,400**	**54,533,556**	**(534,048)**	**17,868,952**	**701,727**	**71,166,733**	**116,697,667**
	(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)	(122,834,923)
INTANGIBLE											
Computer software	79,011,636	-2,694,234	16,761,423	-	93,078,825	65,858,450	-2,229,837	10,273,700	-	73,902,313	19,176,512
	(66,995,367)	(106,333)	(11,909,936)	(-)	(79,011,636)	(59,575,925)	(104,505)	(6,178,020)	(-)	(65,858,450)	(13,153,186)
Sub-total	**79,011,636**	**-2,694,234**	**16,761,423**	**-**	**93,078,825**	**65,858,450**	**(2,229,837)**	**10,273,700**	**-**	**73,902,313**	**19,176,512**
	(66,995,367)	(106,333)	(11,909,936)	(-)	(79,011,636)	(59,575,925)	(104,505)	(6,178,020)	(-)	(65,858,450)	(13,153,186)
Total	**256,380,115**	**-4,171,797**	**29,529,070**	**794,163**	**280,943,225**	**120,392,006**	**(2,763,885)**	**28,142,652**	**701,727**	**145,069,046**	**135,874,179**
Previous year	(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)	(135,988,109)

* Includes ₹ 459,011 (Previous year ₹ 406,684) depreciation on site assets which has been charged as cost of construction and depreciation amounting to ₹ 21,677,738 (previous year Rs. 19,609,818) included under Commission and Operating expenses pertaining to Insurance Business.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.10 Non-current investments

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(I) Trade Investments-(valued at cost)		
(A) Investment in Equity Instruments (fully paid-up):		
- of associates, unquoted [See Note 2.33 (ii)]	117,581,690	113,559,059
Total (A)	**117,581,690**	**113,559,059**
(B) Investment in Preference Shares (fully paid-up)		
- of associate, unquoted		
5,000,000 0% Redeemable Preference shares (previous year: 5,000,000 10% Cumulative Redeemable Preference shares) of ₹ 10 each fully paid-up of World Resorts Ltd *	250,000,000	250,000,000
5,000,000 0% Non Convertible Redeemable Preference shares (previous year: 5,000,000 14% Non-Convertible Cumulative Redeemable Preference Shares) of ₹ 10 each fully paid-up of World Resorts Ltd #	250,000,000	250,000,000
Less: Current portion of long-term investments	(250,000,000)	-
	-	250,000,000
1,875,000 0% Optionally Convertible Cumulative Redeemable Preference shares (previous year: 1,875,000 10% Optionally Convertible Cumulative Redeemable Preference shares) of ₹ 10 each fully paid-up of World Resorts Ltd #	75,000,000	75,000,000
Total (B)	**325,000,000**	**575,000,000**
Total - Trade (A)+(B)	**442,581,690**	**688,559,059**
(II) Other investments		
Investment property (valued at cost less accumulated depreciation)		
Immovable property (cost)	48,313,724	48,313,724
Less: Accumulated depreciation	(562,728)	(557,748)
	47,750,996	**47,755,976**
Investment in Equity Instruments (fully paid-up):		
- of other entities, quoted	-	17,848,549
Less: Provision for diminution in the value of investments	-	(15,008,855)
	-	**2,839,694**
- 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)
	-	-
Of Insurance Company		
Government Securities	2,866,980,750	2,667,682,166
Equity Shares	690,201,088	789,755,408
Other approved investments	78,936,634	37,176,697
Debentures	838,027,660	813,457,710
Infrastructure/Social Sector Bonds	1,117,558,784	1,149,384,678
	5,591,704,916	**5,457,456,659**

Particulars	As at March 31, 2017	As at March 31, 2016
Investment related to Policy Holders	4,043,498,441	3,744,898,109
Investment to cover linked liabilities	1,152,054,493	1,358,762,036
Investment related to shareholders	396,151,982	353,796,514
Total	**5,591,704,916**	**5,457,456,659**

Total Other Investments	**5,639,455,912**	**5,508,052,329**
Total	**6,082,037,602**	**6,196,611,388**

"Notes:

* During the year, the Company vide its Board resolution dated 9th February, 2017 consented to the variation of rights relating to 10% Cumulative Redeemable Preference shares proposed by World Resorts Limited (WRL) by extending the period of redemption, increasing the premium on redemption, waiver of dividend till 31st March 2016 and reducing the coupon rate from 10% to 0 % w.e.f 1st April 2016. The nomenclature of the shares has also been changed from 10% Cumulative Redeemable Preference shares to 0 % Redeemable Preference shares."

During the year, in respect of Company's subsidiaries IITL Projects Ltd. and IIT Investrust Limited, both the subsidiaries have, vide its Board resolution dated 8th February 2017, consented to the variation of rights relating to 14% Non-Convertible Cumulative Redeemable Preference shares and 10% Optionally Convertible Cumulative Redeemable Preference shares respectively proposed by World Resorts Limited for extending the period of redemption, increasing the premium on redemption, waiver of dividend till 31st March 2016 and reducing the coupon rate from 14% and 10% respectively to 0 % w.e.f 1st April 2016. The nomenclature of the shares has also been changed from 14% Non-Convertible Cumulative Redeemable Preference shares and 10% Optionally Convertible Cumulative Redeemable Preference shares to 0 % Non-Convertible Redeemable Preference shares and 0 % Optionally Convertible Redeemable Preference Shares respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.11 Deferred taxes

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Deferred tax liabilities:		
On difference between book balance and tax balance of property, plant and equipment	(188,084)	(318,506)
Deferred tax assets:		
On difference between book balance and tax balance of property, plant and equipment	1,071,933	1,428,130
Items covered under section 43B of the Income Tax Act, 1961	1,319,295	1,435,680
Provisions for bad and doubtful debts	1,684,129	2,020,955
Contingent Provision against Standard Assets	79,239	539,349
Contingent Provision against sub-standard Assets	20,975,495	12,625,728
Total	**24,942,007**	**17,731,336**

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

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Loans and advances to related parties (See Note 2.30)		
Loans to an entity under significant influence	35,000,000	-
Sub-standard assets:-		
Loans to jointly controlled entities	218,940,849	10,500,000
Loan to an associate	25,000,000	-
Less:- Provision for sub-standard asset	(24,394,085)	-
	219,546,764	10,500,000
Other loans to jointly controlled entities	2,625,000	-
Security deposits	43,047,570	45,129,892
Advance income tax (net of provisions)	46,556,430	44,099,558

2.12 Long-term loans and advances (Contd...) (unsecured, considered good, unless otherwise stated)

Other loans and advances		
- Recoverable from Greater Noida Industrial Development Authority (GNIDA)*	4,493,892	4,493,892
- Debit balance in gratuity fund (See Note 2.31)	6,490	201,363
- Advances for supply of goods and services	-	863,629
- Loan to PolicyHolder	9,477,942	7,226,999
- Deposit placed against disputed property tax (See Note 2.36)	11,216,892	10,389,567
Total	**371,970,980**	**122,904,900**

*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.

2.13 Other Non-current assets (unsecured, considered good)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Bank deposits with more than 12 months maturities *	24,810,566	17,196,735
Interest accrued on bank deposits	736,191	830,674
Total	**25,546,757**	**18,027,409**
* Deposits pledged against counter guarantee given by bank, margin money and with authorities	**16,985,625**	**15,014,506**

2.14 Current investments (valued at lower of cost and fair value)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Current portion of long-term investments (At cost)		
Investment in Preference shares of associate (fully paid-up) (See Note 2.10)		
5,000,000 0% Non Convertible Redeemable Preference shares of ₹ 10 each fully paid-up of World Resorts Ltd (Refer Footnote to Note 2.10)	250,000,000	-
Of Insurance company		
- Corporate Securities - Mutual Funds	171,124,929	237,202,852
- Government Securities	85,500,604	32,621,181
- Other than Approved Investments	-	86,029,650
- Infrastructure/Social Sector Bonds	102,439,272	11,306,554
- Other approved securities	202,875,382	58,690,237
	561,940,187	**425,850,474**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Investment related to Policy Holders	250,420,641	210,142,168
Investment to cover linked liabilities (Refer Note below)	248,405,550	176,319,851
Investment related to shareholders	63,113,996	39,388,455
Total	**561,940,187**	**425,850,474**

Note: Investments to cover Linked Liabilities includes Investments pertaining to Unclaimed Amount of Policyholders which is an earmarked Investment as per IRDA Circular IRDA/F&A/CIR/CPM/134/07/2015

Total	**811,940,187**	**425,850,474**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.15 Inventories (at lower of cost and net realisable value)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Construction work-in-progress	2,602,792,412	2,827,965,818
Stock of Units in completed projects	878,509,828	719,141,721
Shares held as stock-in-trade	401,207	-
Total	**3,481,703,447**	**3,547,107,539**

2.16 Trade receivables

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	151,065,267	167,435,449
- Unsecured, considered doubtful	7,515,789	7,515,789
	158,581,056	174,951,238
- Less: Provision for doubtful trade receivables	7,515,789	7,515,789
	151,065,267	167,435,449
Other Trade receivables		
- Unsecured, considered good	157,964,373	163,030,224
Total	**309,029,640**	**330,465,673**

2.17 Cash and cash equivalents

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Cash on hand	8,432,269	10,752,265
Cheques, drafts on hand	44,023,152	30,233,374
Balances with banks		
- In current accounts	117,777,302	73,730,511
- In deposit accounts with original maturity upto 3 months	3,218,037	66,257,373
- Others (Balance in foreign currency travellers cards)	5,547	5,547
	173,456,307	**180,979,070**
Other bank balances:		
- In deposit accounts with original maturity of more than 3 months but upto 12 months*	73,129,929	70,710,698
- In earmarked accounts - unpaid dividend accounts	3,557,563	3,887,249
	76,687,492	**74,597,947**
Total	**250,143,799**	**255,577,017**
* Deposits pledged against guarantee given by bank/ as securities to sales tax authorities.	42,616,808	1,650,000

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

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Loans and advances to related parties (See Note 2.30)		
Loans to jointly controlled entities [includes SMA of ₹ Nil (previous year ₹ 121,793,367)]	-	198,190,848
Loans to entities under significant influence	-	45,000,000
Loan to an associate	-	15,000,000
	-	**258,190,848**
Other loans and advances		
Security deposits	190,088	4,106,424
Advances for supply of goods and services	152,599,239	163,593,410
Recoverable from Greater Noida Industrial Development Authority (GNIDA)*	29,165,726	-
Advance towards annual lease rent	-	5,382,926
Prepaid expenses	7,589,901	8,095,807
Advance income tax (net of provisions)	4,721,961	5,966,998
MAT credit entitlement	3,487,536	3,487,536
Balances with government authorities		
- Service tax credit receivable	59,323,469	49,054,491
- VAT recoverable	552,324	960,125
Advances to vendors	252,652	31,500
Advances to others	66,517,261	21,297,347
	324,400,157	**261,976,564**
Total	**324,400,157**	**520,167,412**

*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, one of the jointly controlled entity - CIPL had deducted and paid the tax amount to the income tax authorities. At the time of obtaining occupancy certificate, CIPL had to pay to GNIDA, the amount equivalent to the TDS deducted, as it was construed as short payment. CIPL is in discussion with GNIDA, pending resolution the amount has been shown as recoverable from GNIDA.

2.19 Other current assets (unsecured, considered good unless otherwise stated)

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Unbilled revenue	177,820,613	146,616,292
Interest accrued on:		
- bank deposits	3,749,683	2,050,122
- Investments	162,109,927	150,968,522
- loans to related parties (See note 2.30) [includes SMA of ₹ Nil (previous year ₹ 8,418,477)]	28,301	11,381,079
- Other	490,148	148,393
Others	36,770,575	24,503,406
Total	**380,969,247**	**335,667,814**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.20 Revenue from operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
Interest [See Note 2.20 (a)]	4,412,308	46,700,543
Other financial services [See Note 2.20 (b)]	-	103,175
Revenue from real estate projects [See Note 2.20 (c)]	978,686,365	1,308,439,635
Sale of services [See Note 2.20 (d)]	5,178,188	8,069,083
Other operating revenue [See Note 2.20 (e)]	13,385,951	87,843,646
Total	**1,001,662,812**	**1,451,156,082**

2.20 (a) Interest

On deposits with banks	3,093,701	3,089,186
On loans	1,318,607	43,611,357
Total	**4,412,308**	**46,700,543**

2.20 (b) Other financial Services

Dividend income on long-term quoted investments	-	103,175
Total	**-**	**103,175**

2.20 (c) Revenue from real estate projects

Sale of flats	978,686,365	1,308,439,635
Total	**978,686,365**	**1,308,439,635**

2.20 (d) Sale of services

Brokerage:		
- from insurance services	5,161,778	8,044,335
- on shares and mutual funds	16,410	24,748
Total	**5,178,188**	**8,069,083**

2.20 (e) Other operating income

Profit on sale of investment properties (Net)	-	80,329,478
Charges on transfer / booking of flats	11,611,455	7,157,295
Others	1,774,496	356,873
Total	**13,385,951**	**87,843,646**

2.21 Other income

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
Interest income:		
- On deposits with banks	3,539,506	5,978,606
- On deposits with others	842,241	360,703
- On income tax refund	1,958,681	118,852
- Interest received from customers for late payment	3,745,439	3,982,818
Dividend income from current investments	68,980	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	1,250,635	379,639
Profit on sale of property, plant and equipment	30,859	7,306
Amounts no longer payable written back	1,399,652	5,997,983
Miscellaneous income	519,405	383,082
Total	**13,355,398**	**17,509,178**

2.22 Cost of sales

Particulars		For the year ended 31st March, 2017	For the year ended 31st March, 2016
		₹	₹
(i) Cost of construction / development			
Opening balance of work in progress		2,827,965,818	3,303,185,114
	(A)	**2,827,965,818**	**3,303,185,114**
Add: Expenses incurred during the year			
Land and development rights		243,462,000	265,583,342
Material, structural, labour and contract cost		458,631,801	1,083,923,409
Other project cost		9,737,622	2,175,032
Employee benefits expense		5,893,346	7,908,637
Depreciation		459,011	406,684
Other expenses		22,678,514	52,346,892
Interest and finance charges		41,562,511	85,432,681
	(B)	**782,424,805**	**1,497,776,677**
Less:			
Closing balance of work in progress		2,602,792,412	2,827,965,818
Stock of units on the date of completion of project		421,223,300	720,239,362
	(C)	**3,024,015,712**	**3,548,205,180**
	(A+B-C)	**586,374,911**	**1,252,756,611**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.22 Cost of sales (contd.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
(ii) Changes in stock of units in completed project		
Opening stock of units in completed project	719,141,721	-
Add : Stock of units on the date of completion of project	421,223,300	720,239,362
Less: Closing stock of units in completed project	878,509,828	719,141,721
(i+ii)	261,855,193	1,097,641
(iii) Expenses on completed projects	22,701,601	-
(i+ii+iii)	**870,931,705**	**1,253,854,252**

2.23 Employee benefits expense

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
Salaries and wages	41,399,722	46,369,095
Contribution to provident and other funds (See Note 2.31)	3,124,304	3,219,734
Staff welfare expenses	1,496,776	1,765,277
	46,020,802	51,354,106
Less: Transferred to Inventories	(5,893,346)	(7,908,637)
Total	**40,127,456**	**43,445,469**

2.24 Finance cost

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
Interest expense on loans	102,200,000	122,744,753
Interest on delayed / deferred payment of income tax	760,230	2,374,074
Interest on Refund to Customers	725,989	17,132,510
Other borrowing cost	-	7,012,290
	103,686,219	149,263,627
Less: Transferred to Inventories	(41,562,511)	(85,432,681)
Total	**62,123,708**	**63,830,946**

2.25 Other Expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	₹	₹
Power and fuel	4,565,539	2,779,063
Rent including lease rentals (See Note 2.27)	6,466,200	7,259,076
Insurance	1,552,779	1,087,812
Repairs and maintenance:		
- Buildings	4,118,411	5,238,694
- Computers	254,824	382,824
- Plant & Machinery	319,516	680,136
- Office equipment	4,300	80,728
- Others	1,991,904	2,327,344
	6,688,955	8,709,726
Rates and taxes	24,033,263	24,341,009
Travelling and conveyance	3,597,790	3,537,500
Printing and stationery	975,939	1,021,756
Communication expenses	1,347,115	1,443,122
Legal and professional fees	13,052,121	13,193,938
Directors' fees	4,276,894	4,951,797
Honorarium for management committee meetings	95,000	95,000
Membership fees	2,200,697	1,788,449
Payments to auditors (See Note 2.28)	5,199,785	5,475,636
Brokerage and commission	15,504,819	15,177,284
Advertisement, marketing and business promotion	22,684,691	6,133,801
Office expenses	925,548	2,465,209
Bad debt written off	-	467,206
Expenditure on Corporate Social Responsibility	2,797,892	1,100,000
Site Expenses	865,363	3,120,915
Networking and Website charges	152,577	370,701
Compensation to buyers	8,349,923	23,278,616
Charges under subvention scheme	2,181,465	7,017,350
Miscellaneous expenditure	2,714,649	3,973,547
	130,229,004	138,788,513
Less: Transferred to inventories	(22,678,514)	(52,346,892)
Total	**107,550,490**	**86,441,621**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.26 Contingent liabilities and commitments not provided for

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
(i) Contingent liabilities:		
(a) Claims against the Group not acknowledged as debt		
- Disputed income-tax matters	23,240,078	23,240,078
- Disputed wealth-tax matter in appeal	3,250,246	3,250,246
- Disputed property tax levied by Mumbai Muncipal 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 2.36	19,869,855 *	19,869,855
- 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.

In the previous year, Few buyers of residential units had lodged a complaint with the National Consumer Disputes Redressal Commission (NCDRC), alleging failure by IITLPL to comply with the terms of the Builder Buyer Agreement, and were seeking compensation. The matter had been listed for admission /hearing /directions, by NCDRC. During the year many of the buyers have approached IITLPL for settlement and have made full and final payment and accordingly the case is no longer tenable with NCDRC.

Also refer note 2.33 (i)(b)(a)(i)

(b) Guarantee

- 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 WRL as at 31st March 2017 is ₹ 73,635,169 (as at 31st March 2016 ₹ 104,543,021).
Also see note 2.33 (i)(b)(a)(ii)

(c) Insurance claims disputed by FGILICL
Also see note 2.33 (i)(b)(a)(iii)

(ii) Commitments :
Capital Commitments :
Refer see 2.33 (i)(b)(b)
Other Commitments :
Non-cancellable contractual commitments - Refer note 2.27
Also see note 2.33 (i)(b)(c)(i) & (ii)

(iii) Encumbrance on Assets:
Also refer note 2.33 (i)(b)(d)

2.27 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 ₹ 51,443,907 * (previous year: ₹ 55,760,548).
The future minimum lease payments under non-cancellable operating leases for each of the following periods:

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Not later than one year	20,466,024	33,112,200
Later than one year but not later than five years	47,523,561	63,302,200
Later than five years	355,643	1,397,925
Total	**68,345,228**	**97,812,325**

* This amount includes Rent of ₹ 44,977,707 (previous year ₹ 48,501,472) pertaining to FGILICL which is included in 'Other expense pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss.

2.28 Payments to auditors

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
For statutory audit	2,742,038	2,951,868
For other services	2,581,987	2,609,854
Taxation Fees	25,775	-
Reimbursement of expenses	88,811	15,609
Service tax	361,831	716,080
Total	**5,800,441#**	**6,293,411#**

This amount includes payments to auditors of ₹ 600,656 (previous year ₹ 817,775) pertaining to FGILICL which is included in 'Other expense pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss.

2.29 Earnings per share:

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
(a) loss for the year	(258,348,906)	(75,828,983)
(b) Weighted average number of equity shares used in computing Basic and Diluted Earnings per share (Nos.)	22,547,550	22,547,550
(c) Basic and Dilured Earnings per share (Face value ₹ 10/-)	(11.46)	(3.36)

2.30 Related party disclosures:

(i) Names of related parties and nature of relationship:

Joint Ventures :	IITL Nimbus The Hyde Park Noida
	IITL Nimbus The Express Park View
	IITL Nimbus The Palm Village
	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 Nimbus India Limited
Key management personnel (KMP):	Dr. B. Samal, Executive Chairman

(Of the Holding Company)

(ii) Transactions /balances outstanding with related parties :

(a) Key management personnel:

Nature of transactions	₹
Remuneration paid to Dr. B. Samal	**5,532,000**
	(4,713,676)

@ Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.30 Related party disclosures: (Contd.)

(b) Other related parties: (contd..)

Sr. No.		Nature of transactions	Joint Ventures ₹	Entities under significant influence ₹	Associate Company ₹
(I)		**Transactions during the year :**			
	(i)	Loans taken			
		- Nimbus India Limited		90,000,000	
				(205,125,000)	
	(ii)	Repayment of loan taken		25,000,000	
		- Nimbus India Limited		(145,555,000)	
	(iii)	Loans given			
		- IITL Nimbus The Express Park View (Other Venturer)	-		
			(4,200,000)		
		- IITL Nimbus The Palm Village (Other Venturer)	7,875,000		
			(10,500,000)		
		- IITL Nimbus The Hyde Park Noida (Other Venturer)	17,500,000		
			(20,000,000)		
		- World Resort Limited			10,000,000
					(-)
		- MRG Hotels Private Limited		-	
				(15,000,000)	
	(iv)	Repayment of loans given			
		-IITL Nimbus The Express Park View (Other Venturer)	-		
			(1,844,133)		
		- IITL Nimbus The Palm Village (Other Venturer)	-		
			(72,644,107)		
		- IITL Nimbus The Hyde Park Noida (Other Venturer)	12,500,000		
			(28,602,518)		
		-World Resorts Limited			15,000,000
					(-)
		- MRG Hotels Private Limited		10,000,000	
				(-)	
	(v)	Interest income (net of reversal)			
		- IITL Nimbus The Express Park View (Other Venturer)	-8,418,477		
			(19,052,239)		
		- IITL Nimbus The Palm Village (Other Venturer)	-132,326		
			(3,053,437)		
		- IITL Nimbus The Hyde Park Noida (Other Venturer)	8,824,957		
			(12,654,175)		
		- World Resort Limited			3,326,713
					(2,968,035)
		- MRG Hotels Private Limited		5,514,075	
				(5,883,471)	
	(vi)	Sale of property, plant and equipment - Vehicle			
		- World Resorts Limited			-
					(440,000)
	(vii)	Brokerage income			
		- Future Generali India Life Insurance Company Limited (Other Venturer)	3,336,913		
			(6,049,024)		
	(viii)	Finance cost			
		- Nimbus India Limited		23,519,372	
				(29,639,221)	
	(ix)	Rent paid			
		- Nimbus Projects Limited		2,467,116	
				(2,393,139)	
		- Nimbus India Limited		266,667	
				(-)	
	(x)	Security deposit placed			
		- Nimbus Projects Limited		-	
				(47,500)	
	(xi)	Supervision charges			
		- Nimbus Projects Limited		590,625	
				(-)	
	(xii)	Purchase of equity shares of Golden Palms Facility Management Private Limited			
		- Nimbus Projects Limited		-	
				(500,000)	
(II)		Balances at year-end			
	(i)	Borrowings at year-end			
		- Nimbus India Limited		314,570,000	
				(249,570,000)	
	(ii)	Interest accrued / other payables at year-end			
		- Nimbus Projects Limited		286,762	
				(-)	
		- Nimbus India Limited		12,867,470	
				(8,331,123)	
	(iii)	Loans outstanding as at year-end:			
		- IITL Nimbus The Express Park View (Other Venturer)	121,793,367		
			(121,793,367)		
		- IITL Nimbus The Palm Village (Other Venturer)	18,375,000		
			(10,500,000)		
		- IITL Nimbus The Hyde Park Noida (Other Venturer)	81,397,482		
			(76,397,482)		
		- World Resorts Limited			25,000,000
					(15,000,000)
		- MRG Hotels Private Limited		35,000,000	
				(45,000,000)	
	(iv)	Interest accrued and due as at year-end:			
		- IITL Nimbus The Express Park View (Other Venturer)	-		
			(8,418,476)		
		- IITL Nimbus The Palm Village (Other Venturer)	28,301		
			(254,452)		
		- IITL Nimbus The Hyde Park Noida (Other Venturer)	-		
			(2,708,151)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.30 (b) Other related parties: (contd..)

Sr. No.		Nature of transactions	Joint Ventures	Entities under significant influence	Associate Company
			₹	₹	₹
	(v)	Amount Receivable at year-end (other venturer):			
		- IITL Nimbus The Express Park View	1,000,000		
			(1,000,000)		
		- IITL Nimbus The Palm Village	10,988,125		
			(10,988,125)		
		"- Future Generali India Life Insurance Company Limited (Other Venturers)"	395,740		
			(337,355)		
	(vi)	Security deposit placed			
		- Nimbus Projects Limited		47,500	
				(47,500)	

Note: Above disclosures exclude related party transactions in nature of reimbursement.

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

2.31 Employee Benefits

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 2.23 for the year are as under (₹ 14,473,607 (previous year ₹ 14,695,386) included in 'Commission and Operating expenses pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss):

Particulars	31st March, 2017	31st March, 2016
	₹	₹
Employer's contribution to Regional Provident Fund Commissioner	13,376,870	13,556,584
Employer's contribution to Family Pension Fund	1,071,861	1,297,540
Employer's contribution to Employees' State Insurance Corporation	663,127	331,141
Employer's contribution to Superannuation Scheme	1,929,707	1,731,600

	(b) Defined Benefit Plan	Gratuity (funded)	Gratuity (funded)
		31st March, 2017	31st March, 2016
		₹	₹
i	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Present value of Defined Benefit Obligation as at the beginning of the year	11,634,479	10,492,451
	Interest Cost	629,028	724,432

2.31 Employee Benefits (contd..)

	(b) Defined Benefit Plan	Gratuity (funded)	Gratuity (funded)
		31st March, 2017	31st March, 2016
		₹	₹
	Current Service Cost	1,995,307	1,841,517
	Adjustment on account of Change in share in a joint venture entity	(242,138)	-
	Benefits paid	(1,898,272)	(2,996,784)
	Net Actuarial (Gain)/Loss	495,774	1,572,863
	Present value of Defined Benefit Obligation as at the end of the year	**12,614,178**	**11,634,479**
ii	Reconciliation of fair value of Plan Assets		
	Fair value of Plan Assets as at the beginning of the year	8,574,850	8,256,786
	Expected return on Plan Assets	457,286	515,477
	Adjustment on account of Change in share in a joint venture entity	(162,183)	-
	Net Actuarial Gain / (Loss)	322,733	149,552
	Employer's Contribution	290,082	2,649,819
	Benefits paid	(1,898,272)	(2,996,784)
	Fair value of Plan Assets as at the end of the year	**7,584,496**	**8,574,850**

The Group expects to contribute ₹ 3,797,210 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	2.52%	2.10%
Funds maintained with Life Insurance Corporation of India	97.48%	97.90%

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	(12,614,178)	(11,634,479)
	Fair value of Plan Assets	7,584,496	8,574,850
	Net assets / (liabilities) recognised in the Balance Sheet	**(5,029,682)**	**(3,059,629)**
iv	Components of Employer's Expenses		
	Current Service Cost	1,995,307	1,841,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.31 Employee Benefits (contd..)

(b)	Defined Benefit Plan	Gratuity (funded) 31st March, 2017 ₹	Gratuity (funded) 31st March, 2016 ₹
	Interest Cost	629,028	724,432
	Expected return on Plan Assets	(457,286)	(515,477)
	Net Actuarial Loss/(Gain)	173,041	1,423,311
	Total expense recognised in the Consolidated Statement of Profit and Loss in Note 2.23 under: 'Contribution to provident and other funds' ₹ 1,783,744 (previous year ₹ 2,475,528) included in 'Commission and Operating expenses pertaining to Insurance Business' in the Consolidated Statement of Profit and Loss.	**2,340,090**	**3,473,783**
	Actual return on Plan Assets	**457,286**	**515,477**

2.31 Employee Benefits (contd..)

(b)	Defined Benefit Plan	Gratuity (funded) 31st March, 2017 ₹	Gratuity (funded) 31st March, 2016 ₹
v	Actuarial Assumptions		
	Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	
	Discount rate	6.70 - 8.00 %	7.30 - 8.00 %
	Expected rate of return on Plan Assets	6.70 - 9.00 %	6.48 - 9.00 %
	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, 2017 ₹	31st March, 2016 ₹	31st March, 2015 ₹	31st March, 2014 ₹	31st March, 2013 ₹
1.	Present Value of Defined Benefit Obligation	12,614,178	11,634,479	10,492,451	12,038,375	3,687,170
2.	Fair Value of Plan Assets	7,584,496	8,574,850	8,256,786	10,198,591	3,148,472
3.	Funded Status [Surplus / (Deficit)]	(5,029,682)	(3,059,629)	(2,235,665)	(1,839,784)	(538,698)
4.	Experience adjustment arising on:					
	a. Plan Liabilities (Gain) / Loss	(182,318)	1,487,463	(353,786)	2,036,694	886,547
	b. Plan Assets (Gain) / Loss	1,244,338	(53,002)	308,364	34,965	16,631

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.32 Segment Information :

Primary Segment - Business Segment ₹

		2016-2017							
		Investment activities	Insurance Broking	Real Estate activities	Investment Brokerage Services	Insurance Activities	Others	Eliminations	Total
A.	**REVENUE**								
1	External Revenue	4,435,713	5,327,448	**991,883,241**	**16,410**	**2,218,260,418**	**-**	**-**	**3,219,923,230**
2	Inter-segment revenue	16,369,386	2,423,157	**-**	**4,488**		**-**	**18,797,031**	**-**
	Segment Revenue	20,805,099	7,750,605	**991,883,241**	**20,898**	**2,218,260,418**	**-**	**18,797,031**	**3,219,923,230**
B.	**RESULTS**								
1	Segment result	**(78,450,238)**	**(11,125,996)**	**46,324,726**	**(1,298,426)**	**(197,884,547)**	**(3,980)**	**-**	**(242,438,461)**
2	Interest expense								**62,123,708**
3	Unallocable Income net of Unallocable Expense								**25,540,862**
4	Profit/(loss) before tax								**(279,021,307)**
5	Provision for taxation								**4,357,734**
6	Profit/(loss) after tax (before adjusting minority interest)								**(274,663,573)**
7	Net profit/(loss) attributable to minority interest								**(12,292,036)**
8	Profit after tax (after adjusting minority interest)								**(262,371,537)**
9	Share of profit / (loss) of associates for the year								**4,022,631**
10	Profit after tax (after adjusting share of loss of associates)								**(258,348,906)**
C.	**OTHER INFORMATION**								
1	Segment assets	**777,454,765**	**84,651,367**	**4,427,627,932**	**29,003,600**	**6,718,877,502**	**-**	**-**	**12,037,615,166**
2	Unallocated Assets								**2,921,025,520**
3	Total assets								**14,958,640,686**
4	Segment liabilities	**11,241,814**	**1,558,944**	**3,662,648,804**	**(565,355)**	**6,353,752,754**	**-**	**-**	**10,028,636,961**
5	Unallocated liabilities								**23,866,342**
6	Total liabilities								**10,052,503,303**
7	Cost incurred during the period to acquire the Segment assets	**68,180**	**53,000**	**1,232,331**	**-**	**28,175,559**	**-**	**-**	**29,529,070**
8	Depreciation and amortisation expenses (to the extent allocable to segment)	**958,853**	**4,329,200**	**722,830**	**-**	**21,677,738**	**-**	**-**	**27,688,621**
9	Non cash Expenses other than depreciation/ amortisation	**24,394,085**	**-**	**-**	**-**	**-**	**-**	**-**	**24,394,085**

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 : Activites related to Investments Business.

Insurance Broking : Activites 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.32 Segment Information (contd..)

Primary Segment - Business Segment (contd..) ₹

		2015-2016							
		Investment activities	Insurance Broking	Real Estate activities	Investment Brokerage Services	Insurance Activities	Others	Elimina-tions	Total
A.	**REVENUE**								
1	External Revenue	127,145,314	8,044,335	1,315,941,686	24,748	1,791,407,455		-	3,242,563,538
2	Inter-segment revenue	44,225,738	1,756,168	-	68,775	-		46,050,681	-
	Segment Revenue	**171,371,052**	**9,800,503**	**1,315,941,686**	**93,523**	**1,791,407,455**	**-**	**46,050,681**	**3,242,563,538**
B.	**RESULTS**								
1	Segment result	25,235,354	(15,036,717)	26,180,567	(1,619,441)	(21,642,246)	(33,582)	-	13,083,935
2	Interest expense								63,830,946
3	Unallocable Income net of Unallocable Expense								(40,476,817)
4	Profit/(loss) before tax								(91,223,828)
5	Provision for taxation								(5,056,294)
6	Profit/(loss) after tax (before adjusting minority interest)								(96,280,122)
7	Net profit/(loss) attributable to minority interest								(24,215,700)
8	Profit after tax (after adjusting minority interest)								(72,064,422)
9	Share of profit / (loss) of associates for the year								(3,764,561)
10	Profit after tax (after adjusting share of loss of associates)								(75,828,983)
C.	**OTHER INFORMATION**								
1	Segment assets	841,040,708	90,824,734	4,199,761,160	29,098,600	6,320,265,700	12,079	-	11,481,002,981
2	Unallocated Assets								3,276,717,376
3	Total assets								14,757,720,357
4	Segment liabilities	12,235,287	1,726,109	3,639,301,316	339,863	5,923,005,370	-	-	9,576,607,945
5	Unallocated liabilities								38,745,932
6	Total liabilities								9,615,353,877
7	Cost incurred during the period to acquire the Segment assets	406,050	26,970	2,150,016	-	47,839,094	-	-	50,422,130
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.33 (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, 2017:

(₹)

Particulars	31st March, 2017	31st March, 2016
RESERVES AND SURPLUS	(329,016,919)	(135,435,970)
NON-CURRENT LIABILITIES		
Long-term borrowings	180,625,227	128,667,808
Other long term liabilities	979,531,434	1,052,164,364
Policy Liabilities (Policyholder's Fund)	5,927,839,715	5,533,869,472
Long-term provisions	17,936,157	21,120,632
CURRENT LIABILITIES		
Short term borrowings	659,986,481	629,590,079
Trade payable	1,276,051,800	1,131,670,866
Other current liabilities		
- Policy Liabilities (Policyholder's Fund)	127,111,356	167,268,515
- Other	986,848,839	1,030,743,205
Short term provisions	7,235,886	14,030,569
NON-CURRENT ASSETS		
Property, Plant and Equipment (Net Block)		
(i) Tangible assets	29,253,344	30,113,314
(ii) Intangible assets	18,944,958	12,876,128
(iii) Capital work in progress	7,292,335	2,182,785
Non-current investments	5,591,704,915	5,457,456,659
Long term loan and advances	382,699	272,418
Deferred tax assets (net)	36,834,956	35,435,827
Other non-current assets	10,171,756	2,171,311
CURRENT ASSETS		
Current investments	561,940,187	425,850,474
Inventories	3,512,303,336	3,571,421,131
Trade receivables	279,870,504	296,823,125
Cash and bank balance	205,382,900	171,724,365
Short-term loans and advances	321,409,278	254,595,431
Other current assets	367,517,890	308,597,370
INCOME		
Sale of flats	968,914,636	1,285,552,052
Premium from Insurance Business	1,534,127,397	1,280,888,509
Other operating income	12,071,878	7,502,051
Other Operating Income from Insurance Business	678,327,466	510,518,947
Other Income from Insurance Business	16,044,230	19,311,647
Interest income	4,193,531	3,192,458
Dividend income on current investments	68,980	103,686
Net profit on sale of current investments	-	137,732
Other Income	236,294	5,669,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹)

Particulars	31st March, 2017	31st March, 2016
EXPENSES		
Cost of sales	868,326,047	1,245,530,324
Employee benefits expense	11,424,080	10,246,074
Finance costs	68,291,400	20,068,816
Benefits paid pertaining to Insurance Business (Net)	878,343,773	956,716,820
Commission and Operating expenses pertaining to Insurance Business	451,233,344	380,292,058
Other expenses pertaining to Insurance Business	1,086,578,085	552,238,464
Depreciation	647,190	585,655
Other expenses	70,091,470	38,643,797
Provision for taxation	4,082,035	1,977,056

(i) (b) **Other Information**

Particulars	31st March, 2017	31st March, 2016
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	1,427,173	3,653,226
- Disputed U P Commercial tax matters in appeal	488,526	-
- Compensation for delay in project / Interest on refund to customers	7,706,553	5,964,592
(ii) Guarantee		
- Guarantees issued by Bank	1,450,000	1,450,000
(iii) Insurance claims disputed by FGILICL, to the extent not provided/reserved	483,294	1,832,850
(b) Capital Commitment :		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances).	21,976,420	6,092,775
(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 2.27	65,301,628	92,486,025
(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 ₹ 8,749,263 (Previous Year ₹ 8,838,225) 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, 2017 is as under:

Particulars	GPFMPL		WRL	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
(i) Number of equity shares (Nos.)	50,000	50,000	13,018,125	13,018,125
(ii) Percentage holding (%)	50	50	25	25
(iii) Cost of Investment (Equity shares)	500,000	500,000	155,181,250	155,181,250
Goodwill/(Capital Reserve) Included in cost of Investment above	(75,408)	(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	150,816	-	(42,273,007)	(38,357,630)
Share of profit/(loss) for the year	153,379	150,816	3,869,252	(3,915,377)
Less: Dividend received during the year	-	-	-	-
(v) Share of accumulated profit/(loss) net of dividend received	304,195	150,816	(38,403,755)	(42,273,007)
(vi) Carrying cost	804,195	650,816	116,777,495	112,908,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.34 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 ₹ 3,400,000,000. FGILICL became a joint venture of the Group.

In August 2016 and December 2016 FGILICL came out with Rights Issues of 30,000,000 and 25,508,850 equity shares respectively of ₹ 10 each at par aggregating to ₹ 300,000,000 and ₹ 255,088,500, in the ratio of 10:484 and 21:1220 respectively. The Company did not subscribe to both the rights issues. The total subscription amount received from the other shareholders was ₹ 299,414,160 equivalent to 29,941,416 equity shares and ₹ 255,088,500 equivalent to 25,508,850 equity shares. The resultant effect is, the Company's stake in FGILICL reduced to 22.05% after the first rights issue and 21.67% after the second rights issue.

Consequent to the decrease in the Company's share of interest in FGILICL, the gain of ₹ 5,805,556 arising on deemed disposal of partial interest in FGILICL has been recognized and disclosed separately under Revenue and further necessary adjustment of ₹ 96,648,152 has been made to the goodwill on consolidation.

Subsequent to the year end, in April 2017, FGILICL came out with third rights issue of 75,372,514 equity shares of ₹ 10 each at par aggregating to ₹ 753,725,140, in the ratio of 5:100. The Company did not subscribe to the rights issue. The total subscription amount received from the other shareholders was ₹ 753,725,140 equivalent to 75,372,514 equity shares. The resultant effect is, the Company's stake in FGILICL reduced to 20.64% after the third rights issue.

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 2017 has substantially eroded, there is no impairment as at 31st March 2017, in the value of goodwill on consolidation arising on such aquisition.

2.35 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.

2.36 The amount of ₹ 19,869,855 disclosed as Contingent Liability (See note 2.26(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 had, in the previous year, 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	Year ended 31st March, 2017	Year ended 31st March, 2016
As at 1st April	5,000,000	-
Additions	-	5,000,000
Utilisation/Reversal	-	-
As at 31st March	5,000,000	5,000,000

2.37 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.

2.38 (a) Expense of Management of FGILICL:-

Insurance Regulatory and Development Authority of India (Expense of management of insurer transacting life insurance business) Regulation 2016 has come in force with effect from 09th May, 2016.

With reference to the regulations, FGILICL has prepared a return of Expense of Management. As per the working, the FGILICL share of actual expenses for FY 2016-17 has exceeded the allowable limits by ₹ 1,521,439 ('000) (given in table below) out of which ₹ 449,607 ('000) is pertaining to Participating segment assuming compliance limit at 100%. However considering that the regulation allows deemed compliance at 120% for FY 2016-17, the gap between overall actual expenses and allowable expenses is ₹ 1,046,371 ('000) including ₹ 318,814 ('000) for participating segment.

As per the notification, the Authority may grant forbearance against any penal actions for companies which are within ten years of their operation based on the representation. FGILICL has accordingly represented vide its letter dated 05th May, 2017 to the Regulator since FY 2016-17 being the 9th year of operation. The response from the Regulator is awaited.

(` '000)

Particulars	Allowable Expenses (A)	Actual Expenses (B)	Excess (C=B-A)
Linked Policies	389,999	425,778	35,779
Non-Linked Non- participating expenses	1,331,381	2,367,435	1,036,053
Non-Linked participating expenses	653,964	1,103,570	449,607
Total	**2,375,344**	**3,896,783**	**1,521,439**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.39 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 2013 Act:

Particulars				
Name of the entity in the	**Net assets, i.e., total assets minus total liabilities**		**Share of profit or loss**	
	As % of consolidated net assets	**Amount**	**As % of consolidated profit or loss**	**Amount**
Parent	83%	5,338,635,130	18%	(56,750,580)
Subsidiaries				
Indian				
1. IITL Projects Limited	-1%	(4,562,058)	5%	(15,402,566)
2. IIT Investrust Limited	3%	167,543,858	0%	(1,004,827)
3. IIT Insurance Broking and Risk Management Private Limited	1%	29,150,647	4%	(14,410,430)
4. IITL Corporate Insurance Services Private Limited	1%	905,447	0%	(401,034)
5. IITL Marketing Management Private Limited	0%	-	0%	(3,980)
Foreign	NA	NA	NA	NA
Minority Interests in all subsidiaries				
1. IITL Projects Limited	0%	-	4%	(12,281,887)
2. IIT Investrust Limited	1%	1,700,476	0%	(10,149)
Associates (Investment as per the equity method)				
Indian				
1. World Resorts Limited	2%	116,777,495	-1%	3,869,252
2. Golden Palms Facility Management Private Limited	0%	804,195	0%	153,379
Foreign	NA	NA	NA	NA
Joint Ventures (as per proportionate consolidation)				
Indian				
1. Future Generali India Life Insurance Company Limited	6%	408,856,995	59%	(188,579,268)
2. Capital Infraprojects Private Limited	2%	137,459,111	5%	(16,709,865)
3. IITL Nimbus The Hyde Park Noida	1%	99,649,988	-1%	2,079,352
4. IITL Nimbus The Palm Village	2%	170,572,535	0%	(1,160,992)
5. IITL Nimbus The Express Park View	-1%	(36,696,462)	7%	(21,585,396)
Foreign	NA	NA	NA	NA
	100%	6,430,797,357	100%	(322,198,991)
Less : Elimination		1,526,360,450		63,850,085
Total		**4,904,436,907**		**(258,348,906)**

2.40 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, wherever applicable. (`)

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 8th November, 2016	164,000	76,315	240,315
(+) Permitted receipts	-	319,576	319,576
(-) Permitted payments	-	228,202	228,202
(-) Amount deposited in Banks	164,000	-	164,000
Closing cash in hand as on 30th December, 2016	-	167,689	167,689

2.41 The standalone financial statements of IITL Projects Ltd.(IITLPL) have been prepared on a going concern basis, although its networth is negative as on 31st March, 2017, since IITLPL has through its joint ventures adequate unsold inventories which on sale is expected to generate profits based on, interalia, IITLPL Management's estimate of sale price and cost escalations.

2.42 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: 30th May, 2017

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	2016-2017					2015-2016				
		IITL Projects Limited	**IIT Investrust Limited**	**IIT Insurance Broking and Risk Management Private Limited**	**IITL Marketing Management Private Limited**	**IITL Corporate Insurance Services Private Limited**	IITL Projects Limited	IIT Investrust 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	**(124,641,058)**	**44,244,334**	**4,150,647**	**(1,500,000)**	**(1,594,553)**	(83,656,605)	45,259,311	18,561,077	(1,496,020)	(1,193,520)
3.	Total Assets	**811,543,158**	**169,734,819**	**105,107,473**	**-**	**942,753**	823,710,078	171,608,021	107,738,961	12,079	1,421,317
4.	Total Liabilities	**816,105,216**	**490,485**	**75,956,827**	**-**	**37,306**	787,287,683	1,348,710	64,177,885	8,099	114,838
5.	Investments										
	- Equity shares in associate	**500,000**					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	**-**	**75,000,000**				250,000,000	75,000,000			
	- Share in partnership Firm	**285,237,500**	**-**	**-**			285,237,500	-	-		
	- Investment in Immovable Property	**-**	**47,655,365**				-	47,655,365			
6.	Turnover	**14,101,081**	**44,302**	**6,250,605**	**-**	**-**	24,989,782	105,640	9,800,503	-	-
7.	Profit before tax	**(27,529,437)**	**(741,134)**	**(15,430,620)**	**(3,980)**	**(401,034)**	(86,759,807)	(1,385,144)	(19,574,100)	49,787	(321,631)
8.	Provision for taxation	**155,016**	**273,843**	**(1,020,190)**	**-**	**-**	(138,910)	151,034	103,399	-	-
9.	Profit after tax	**(27,684,453)**	**(1,014,977)**	**(14,410,430)**	**(3,980)**	**(401,034)**	(86,620,897)	(1,536,178)	(19,677,499)	49,787	(321,631)
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%

Part "B" : Associates and Joint Ventures

		2016-2017						
Sr. No	**Name of Associates /Joint Ventures**	**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-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
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%	21.67 %	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 - B	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	161,584,997	408,856,995	170,572,535	(36,696,462)	99,649,988	137,459,111	879,603
6.	Profit / (Loss) for the Year							
(a)	Considered in Consolidation	3,869,252	(188,579,268)	(1,160,993)	(21,585,397)	2,079,352	(16,709,865)	153,379
(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.

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: 30th May, 2017

Mumbai: 30th May, 2017

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IITL GROUP

ATTENDANCE SLIP

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998
Registered Office : 14E, Rajabahadur 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*		Folio No.	
Client ID*		No. of shares	

Name of the shareholder :

Address of the Shareholder :

We/I hereby record our/my presence at the **84th Annual General Meeting** of the Company held on Saturday, September 23, 2017 at 2.15 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, Rajabahadur 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 84th Annual General Meeting of the Company, to be held on the Saturday, September 23, 2017 at 2.15 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

1. Adoption of Audited Financial Statements (Standalone & Consolidated) for the year ended March 31, 2017 and reports of the Directors and Auditors thereon
2. To appoint a Director in place of Dr. B Samal (DIN: 00007256), who retires by rotation
3. Appointment of M/s. Chaturvedi & Shah, Chartered Accountants as Statutory Auditors and fixing their remuneration

SPECIAL BUSINESS

4. Approval of Related Party Transaction with IITL Nimbus The Express Park View (EPV II)

Signed this..... day of..... 2017.

Affix Re. 1/- Revenue Stamp

Signature of shareholder Signature of Proxy holder(s)

Note:

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. **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.

NOTES

NOTES


Sassoon Building
Commerce House
TITAN
STATIONE
Cheval
Obataimu
Saffron Home
And Garden
Lakshmi Vilas Bank
Jatia Chamber
Power Products
VB Gandhi M
LIV
VB Gandhi Marg
Meals on the Way
Ayub's
Viral
Reflect Sculpt Pvt. Ltd
MC Ghia Hall
Knesset Eliyahoo
Synagogue
The Wayside Inn
Cervez
Aban House
Tower Capital
Camps of India
Taxi Stand
Silk Route
The Irish House
Bargain Book Hut
Bake
Shoes
K Dubash Marg
NIRAV MODI
Jewellery Boutique
Fort Foundation Buildin
Max Mueller Bhavan
Trade Wings
Rampart House
Mumbai
Mahatma Gandhi Road



If undelivered, please return to :

INDUSTRIAL INVESTMENT TRUST LIMITED

CIN: L65990MH1933PLC001998

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

Tel: 022 43250100. Email address: iitl@iitlgroup.com. Website: www.iitlgroup.com