

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY:

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

II. BOARD OF DIRECTORS:

The Board consists of experienced professionals drawn from diverse fields. The Board as on 31st March, 2011 consists of 7 members out of which 3 are Independent Directors. The composition is in conformity with the listing requirement.

a) The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year 2010-11 and at last Annual General Meeting and also the number of Directorship and Committee Membership/Chairmanship held by them in various companies are given below:

FY 2010-11

Name of the Director	Category	Attendance Particulars		No. of ¹ other Directorships and ² Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri T. M. Nagarajan*	Non Executive Chairman/ NI	11	Yes	5	4	2
Dr. B. Samal	NI/NE	11	Yes	11	5	3
Shri Bipin Agarwal	NI/NE Promoter	9	Yes	8	3	-
Shri R. S. Loona	I/NE	11	Yes	3	4	-
Shri R. K. Mittal	I/NE	11	Yes	4	2	4
Shri Venketesan Narayanan	I/NE	10	Yes	1	-	-
Shri D.P.Goyal**	Executive Director	5	Yes	-	-	-

NE - Non Executive Director

NI - Non Independent Director

I- Independent Director

* Shri T.M. Nagarajan, who was appointed as Executive Chairman of the Company for a period of 3 years w.e.f. 1st April, 2009, relinquished his position as Executive Chairman of the Company on 3rd July, 2010 and continued as Non- Executive Chairman for the Company since then.

** Shri D. P. Goyal was appointed as Managing Director of the Company w.e.f. 5th July, 2010.

¹Excludes Alternate Directorships and Directorships in Foreign Companies, Companies registered under section 25 of Companies Act, 1956 and Private Limited Companies.

²As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Shareholders'/Investor' Grievance & Share Transfer Committee in Indian

Public Companies (Listed and Unlisted including of the Company). Committee Membership includes Chairmanship also.

b) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

c) Meetings of the Board of Directors:

During the Financial year 2010-11, Eleven (11) Board Meetings were held on the following dates:

15th April 2010, 1st May 2010, 29th May 2010, 3rd July 2010, 20th July 2010, 16th August 2010, 21st August 2010, 16th September 2010, 20th October 2010, 3rd February 2011, and 18th March 2011

III. AUDIT COMMITTEE:

The Audit Committee was constituted on 30th June, 2001. It was last reconstituted on 27th June, 2009. The Audit Committee comprises of Independent Directors. The members of the Committee have knowledge of finance, accounts, Company law etc. The Chairman of the Committee has accounting and financial management expertise.

Ms. Simmi Singh is the secretary to the Audit Committee.

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

During the year under review, Five(5) meetings of the Audit Committee were held, the dates being 15th April 2010, 29th May 2010, 20th July 2010, 20th October 2010 and 3rd February 2011.

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

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Shri R. K. Mittal	Chairman	5
Shri R. S. Loona	Member	5
Shri Venkatesan Narayanan	Member	5

IV. REMUNERATION COMMITTEE (Non Mandatory):

The Remuneration Committee was constituted on 16th December, 2002. It was last reconstituted on 27th June, 2009. The Remuneration Committee comprises three Non-Executive Directors.

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

During the year under review, one(1) meeting of the Remuneration Committee was held on 3rd July 2010.

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

Remuneration Committee Members	Status	No. of Remuneration Committee Meetings Attended
Shri R. S. Loona	Chairman	1
Shri R. K. Mittal	Member	1
Shri Venkatesan Narayanan	Member	1

Remuneration paid to the Chairman during the year 2010-11

The details of the remuneration including Company's contribution to the provident fund as per the Company's rules paid to Shri T.M. Nagarajan (Executive Chairman upto 3rd July, 2010) during the financial year 2010-11 is given below:

	(Rs.)
Salary	3,87,097
Contribution to the provident fund	46,452

Remuneration paid to the Managing Director during the year 2010-11

Shri D. P. Goyal, Managing Director of the Company was paid remuneration during the financial year as per the recommendation of the Remuneration Committee at its meeting held on 3rd July, 2010 and approval by the Members at the Annual General Meeting held on 16th September, 2010. The tenure of office of the Managing Director is for a period of 3 years w.e.f. 5th July, 2010. The service contract of Shri. D. P. Goyal may be terminated by either party, by giving three month's notice in writing. There are no severance fees fixed by the Company in case of early termination of service contract.

Apart from fixed components set by Remuneration Committee, no performance linked incentives are paid to Shri. D. P. Goyal. The details of the remuneration as per the Company's rules paid to Shri D. P. Goyal during the financial year 2010-11 is given below:

	(Rs.)
Salary	17,74,193
Contribution to the provident fund	Nil

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

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Shri T.M. Nagarajan*	70,000	Nil	70,000
Dr. B. Samal	1,10,000	Nil	1,10,000
Shri Bipin Agarwal	90,000	Nil	90,000
Shri R. S. Loona	1,10,000	40,000	1,50,000
Shri R. K. Mittal	1,10,000	40,000	1,50,000
Shri Venkatesan Narayanan	1,00,000	40,000	1,40,000

* w.e.f. 4th July, 2010.

During the year, the Non-Executive Directors are paid sitting fee at the rate of Rs.10,000/- for attending each meeting of the Board and Rs. 5,000/- for attending each Committee meeting thereof.

During the year, the Company has paid Rs. 88,240/- as professional fees to M/s Alliance Corporate Lawyers, a legal firm in which Shri. R. S. Loona, Director of the Company, is a partner. There were no other pecuniary relationships or transactions of the Non-Executive Director vis-à-vis the company.

None of the directors held any equity shares in the company as on 31st March, 2011.

Stock Options:

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

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

The Shareholders'/Investors' Grievance & Share Transfer Committee was constituted on 16th December, 2002. It was last reconstituted on 18th March, 2011. All the members of the Committee are Non Executive and Independent Directors.

The Committee:

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

During the year under review, two(2) meetings of the Shareholders'/Investors' Grievance & Share Transfer Committee were held on 15th October 2010, and 17th February 2011.

The Composition and attendance of the members at the Shareholders'/Investors' Grievance & Share Transfer Committee Meeting are as follows:

Shareholders'/Investors' Grievance & Share Transfer Committee Members	Status	No. of Shareholders'/Investors' Grievance & Share Transfer Committee Meetings Attended
Shri R. K. Mittal [@]	Chairman/Member	2
Shri R.S.Loona ^{@@}	Chairman/Member	2
Shri Venketesan Narayanan	Member	2

[@]Appointed as Chairman of Share Shareholders'/Investors' Grievance & Share Transfer Committee from the conclusion of the Board Meeting held on April 15, 2010 and ceased to be Chairman of the Shareholders'/Investors' Grievance & Share Transfer Committee from the conclusion of the Board Meeting held on 18th March, 2011.

^{@@} Ceased to be Chairman of the Shareholders'/Investors' Grievance & Share Transfer Committee from the conclusion of the Board Meeting held on April 15, 2010 and appointed as Chairman of the Shareholders'/Investors' Grievance & Share Transfer Committee from the conclusion of the Board Meeting held on 18th March, 2011.

Name and designation of Compliance Officer: Ms. Simmi Singh - Company Secretary.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL. There were no outstanding complaints as on 31st March, 2011. The Company attends to investor & shareholders grievances within 10 days from the date of receipt of the same.

VI. GENERAL BODY MEETINGS:

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

Financial Year	AGM	Day, Date & Time	Venue	Special Resolution Passed
2007-2008	14 th AGM	Saturday, 27 th September, 2008 at 11.00 a.m.	Registered Office : Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001.	1. Increase in Authorised Share Capital. 2. Change of Main Object Clause of Memorandum of Association.

				<p>3. Authority for payment of Remuneration to Non-Executive Director.</p> <p>4. Alteration in Articles of Association.</p>
2008- 2009	15 th AGM	Thursday, 27 th August, 2009 at 4.30 p.m.	<p>Registered Office : Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001</p>	<p>1. Alteration in Articles of Association pursuant to increase in authorized share capital</p> <p>2. Issue of shares on Rights Basis</p> <p>3. Appointment of Shri. T.M. Nagarajan as Executive Chairman and approval of remuneration paid to him.</p>
2009-2010	16 th AGM	Thursday, 16 th September, 2010 at 11.00 a.m.	<p>Registered Office : Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001.</p>	<p>1. Appointment of Shri D.P.Goyal as Managing Director</p> <p>2. Change of name of Company</p>

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

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

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

No special resolution was passed through Postal Ballot during 2010-2011. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

VII. DISCLOSURES:

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

VIII. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:

- a) **Management Discussion and Analysis:** A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.
- b) **Related Party transactions:** A statement in summary form of transactions with related parties is periodically placed before the Audit Committee.
- d) **Disclosure of Accounting Treatment:** The Company has followed Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of financial statements.
- e) **Disclosure on Risk Management:** The Company has framed a Risk Management Policy which is periodically reviewed by the Board.
- f) **Code of Conduct:** As required by the revised clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board Members and Senior Management of the Company. The members of the Board of Directors and Senior Management have affirmed compliance of the said Code during the period under review. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.
- g) **CEO/CFO Certification:** A Certificate from Shri. D. P. Goyal, Managing Director and Shri. Virendra Tripathy, Chief Financial Officer of the Company on the financial statements of the Company was placed before the Board.
- h) **Note on appointment or re-appointment of Directors:** Particulars of Directors who need to be appointed/re-appointed at the ensuing Annual General Meeting are given under the Note no.13 of the Notice convening the meeting.

IX. MEANS OF COMMUNICATION:

- a) The quarterly / annual results are communicated to the Bombay Stock Exchange Limited where the Company's shares are listed and published in Free Press Journal (English) and Navshakti (Marathi).
- b) The Company has not made any presentation to any institutional investors or to any analysis during the year.
- c) All items required to be covered in the Management Discussion and Analysis Report has been included in the Directors' Report to Members.
- d) The website of the Company www.iitlprojects.com contains a separate dedicated section 'Investor Relations', which provides comprehensive information of interest to our investors and the Annual Report of the Company in a user-friendly and downloadable form. The quarterly/half-yearly results are also available on the website www.corpfiling.co.in, the Corporate Filing and Dissemination System (CFDS) portal jointly owned, managed and maintained by BSE and NSE which is a single source to view information filed by listed companies with the stock exchange.

X. GENERAL SHAREHOLDERS INFORMATION:

Company Registration Details	The Company is registered in the state of Maharashtra. The Corporate Identification Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L01110MH1994PLC082421.
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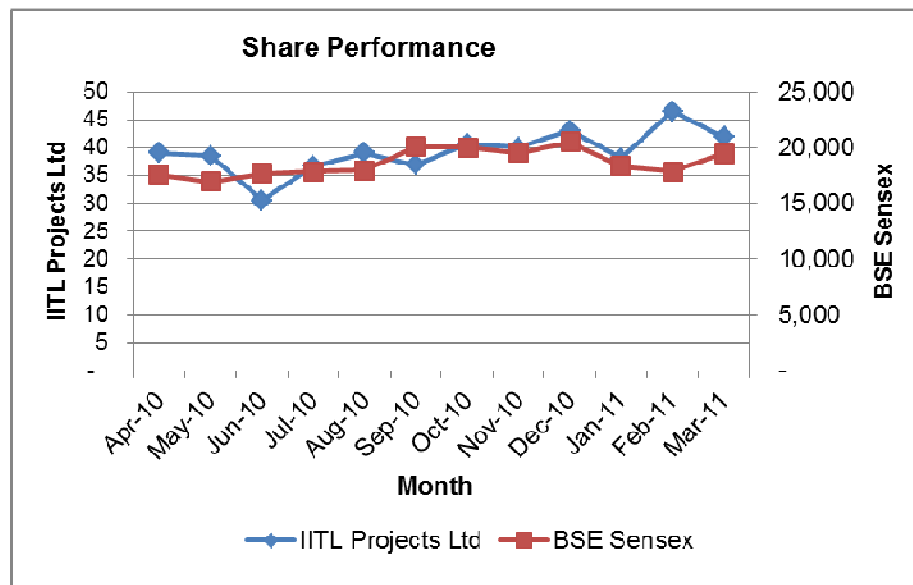
AGM : Date and Time Venue	10 th September, 2011 at 12.00 noon. at M.C.Ghia Hall, 2 nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.
Financial Calendar Financial Year ending <u>Results for Quarter ending</u> : 30 th June, 2011 30 th September, 2011 31 st December, 2011 31 st March, 2012 (Audited)	(Tentative) 31 st March, 2012 On or before 14 th August, 2011 On or before 14 th November, 2011 On or before 14 th February, 2012 On or before 30 th May, 2012
Date of Book Closure	3 rd September 2011 to 10 th September 2011 (both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	Bombay Stock Exchange Limited
Scrip Code	531968
Payment of Listing Fees	Annual listing fee for the year 2011-12 (as applicable) has been paid by the Company to BSE.
Market price Data : High , Low during each month in the financial year 2010-2011	See point (a) & (b) below
Registrar and Share Transfer Agents	Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011. Tel: (022) 2301 8261/2301 6761
Share Transfer System	Share Transfers are processed and share certificates are returned within a period of 30 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Summary of Shareholding Pattern	See Point (c) & (d)
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	ISIN: INE786E01018
De-materialization of shares and liquidity	As on 31 st March, 2011, 86.98% of the Company's total equity shares representing 43,41,135 shares were held in dematerialized form and balance 13.02% representing 6,49,765 shares were held in physical form.
Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity	There were no such outstanding instruments as on 31 st March, 2011
Plant Location	The Company operates from Mumbai and Delhi offices in India and have site offices at all its Project sites. The Company does not have a manufacturing plant.
Address for correspondence	Regd. Off.: Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Mumbai 400 001. Or Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011

a) Stock Market Price Data at BSE

Month	BSE	
	High	Low
April – 2010	42.80	35.15
May – 2010	40.80	34.00
June – 2010	40.45	30.55
July – 2010	38.95	30.45
August- 2010	43.00	33.00
September –2010	43.50	36.00
October –2010	47.20	36.35
November – 2010	45.10	36.35
December – 2010	43.30	37.50
January – 2011	42.90	35.10
February – 2011	47.00	35.00
March – 2011	48.10	34.70

b) Graph

Share Price/BSE (Monthly Closing)



c) Distribution of shareholding as on 31st March, 2011

Range of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
upto 5000	281	69.55	3,35,870	0.67
5001 to 10000	29	7.18	2,30,090	0.46
10001 to 20000	41	10.15	6,19,790	1.24
20001 to 30000	8	1.98	2,07,520	0.42

30001 to 40000	8	1.98	2,67,620	0.54
40001 to 50000	3	0.74	1,30,530	0.26
50001 to 100000	12	2.97	9,41,510	1.89
100001 and above	22	5.45	4,71,76,070	94.52
Total	404	100.00	4,99,09,000	100.00

d) Summary of Shareholding Pattern as on 31st March, 2011

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoters	2	35,80,347	71.74
Bodies Corporate	22	2,39,372	4.80
Indian Public	371	11,52,569	23.09
NRIs	1	50	-
HUF	7	18,512	0.37
Clearing Member	1	50	-
Total	404	49,90,900	100.00

Auditors' Certificate on Corporate Governance

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

Declaration on compliance with Code of Conduct

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

On behalf of the Board of Directors

D. P.Goyal
Managing Director

Place: Mumbai
Date: 27th July, 2011