

**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 March 31, 2013 consists of 7 members of which 4 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 2012-13 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 2012-13**

Name of the Director	Category	Attendance Particulars		No. of <sup>1</sup> other Directorships and <sup>2</sup> Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Dr. B. Samal	NI/NE	10	Yes	10	4	5
Mr. T. M. Nagarajan (resigned w.e.f November 15, 2012)	NI/NE	3	Yes	3	2	2
Mr. Bipin Agarwal	NI/NE Promoter	8	Yes	8	1	1
Mr. R. S. Loona	I/NE	10	Yes	4	3	1
Mr. R. K. Mittal (resigned November 27, 2012)	I/NE	5	Yes	4	2	4
Mr. Venkatesan Narayanan	I/NE	10	Yes	1	-	-
Mr. D.P.Goyal	Managing Director	7	Yes	-	-	-
Mr. Jayant N. Godbole*	I/NE	3	No	14	9	3
Mr. Milind Desai**	I/NE	2	No	-	-	-

NE - Non Executive Director NI - Non Independent Director I- Independent Director NEC - Non Executive Chairman

\* Appointed w.e.f. March 4, 2013;

\*\* Appointed w.e.f March 23, 2013.

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

<sup>2</sup>As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Shareholders'/Investors' Grievance & Share Transfer Committee in Indian Public Companies (Listed and Unlisted excluding of the Company).

- b) During the year, information as mentioned in Annexure IA 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 2012-13, Ten (10) Board Meetings were held on the following dates:

April 18, 2012, May 23, 2012, August 9, 2012, November 3, 2012, November 7, 2012, January 12, 2013, January 28, 2013, March 4, 2013, March 23, 2013 and March 26, 2013.

**III. AUDIT COMMITTEE:**

The Audit Committee was constituted on June 30, 2001. It was last reconstituted on March 23, 2013.

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

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

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 23, 2012, August 9, 2012, November 3, 2012 and January 28, 2013.

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

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Dr. B. Samal*	Member	1
Mr. R. S. Loona**	Chairman/ Member	4
Mr. Venkatesan Narayanan	Member	4
Mr. Milind Desai***	Chairman	Nil
Mr. T.M. Nagarajan (resigned w.e.f November 15, 2012)	Member	2
Mr. R.K. Mittal (resigned w.e.f November 27, 2012)	Chairman	3

\* Appointed w.e.f January 28, 2013;

\*\*Chairman w.e.f January 28, 2013;

\*\*\* Appointed as a Chairman w.e.f March 23, 2013.

Ms. Reena Shah, Company Secretary & Compliance Officer acts as Secretary to the Committee and attends the meetings.

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

**IV. REMUNERATION COMMITTEE (Non Mandatory):**

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

Main functions of the 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, No meetings were held of Remuneration Committee.

**The Composition of the Remuneration Committee is as follows:**

Remuneration Committee Members	Status
Mr. R. S. Loona	Chairman
Mr. Venkatesan Narayanan	Member
Mr. R. K. Mittal (resigned w.e.f November 27, 2012)	Member

**Remuneration paid to the Managing Director during the year 2012-13**

Mr. 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 July 3, 2010 and approval by the Members at the Annual General Meeting held on September 16, 2010. The tenure of office of the Managing Director is for a period of 3 years w.e.f. July 5, 2010. The service contract of Mr. 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 Mr. D. P. Goyal. The details of the remuneration as per the Company's rules paid to Mr. D. P. Goyal during the financial year 2012-13 is given below:

(₹)

Salary	24,00,000
Contribution to the provident fund	Nil

**Details of sitting fees to Non-Executive Directors for the year 2012-2013 are given below:**

Name	Board Meetings ₹	Committee Meetings ₹	Total ₹
Dr. B. Samal	1,10,000	10,000	1,20,000
Mr. T.M. Nagarajan	30,000	10,000	40,000
Mr. Bipin Agarwal	90,000	-	90,000
Mr. R. S. Loona	1,10,000	30,000	1,40,000
Mr. R.K. Mittal	50,000	20,000	70,000
Mr. Venkatesan Narayanan	1,10,000	30,000	1,40,000
Mr. Jayant N. Godbole	40,000	-	40,000
Mr. Milind Desai	30,000	-	30,000

During the year, the Non-Executive Directors are paid sitting fees at the rate of ₹ 10,000/- for attending each meeting of the Board and ₹ 5000/- for attending each Committee meeting thereof.

The Board in its meeting held on August 9, 2012, has accorded its approval for increase in payment of sitting fees from ₹ 5000/- to ₹ 10,000/- for attending each Meeting of the Committees of the Board, by the Non-Executive Directors of the Company.

The Board in its meeting held on March 23, 2013, has accorded its approval for increase in payment of sitting fees from ₹ 10, 000/- to ₹ 15,000/- for attending each Meeting of the Board and Committees, by the Non-Executive Directors of the Company

None of the directors held any equity shares in the company as on March 31, 2013.

**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 December 16, 2002. It was last reconstituted on March 18, 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, there were no transfer/ transmission and grievances were received from the shareholders of the company.

**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
Mr. R.S.Loona	Chairman	-
Mr. R. K. Mittal (resigned w.e.f November 27, 2012)	Member	-
Mr. Venkatesan Narayanan	Member	-

**Name and designation of Compliance Officer:** Ms. Reena Shah - Company Secretary

Shareholders/Investors Complaints	Complaint Nos.
Complaints as on April 1, 2013	Nil
Complaints received during 2012-13	Nil
Complaints disposed off during 2012- 2013	Nil
Complaints remaining unresolved as on March 31, 2013	Nil

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 there at are as under:

Financial Year	AGM	Day, Date & Time	Venue	Special Resolution Passed
2009-2010	16 <sup>th</sup> AGM	Thursday, September 16, 2010 at 11.00 a.m.	Registered Office : Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai - 400 001	1. Appointment of Mr. D.P.Goyal as Managing Director 2. Change of name of Company
2010-2011	17 <sup>th</sup> AGM	Saturday, September 10, 2011 at 12.00 p.m.	M.C.Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai - 400 001.	No special Resolution was passed
2011-2012	18 <sup>th</sup> AGM	Thursday, September 20, 2012 at 12.30pm	M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai - 400 001	No special Resolution was passed

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

During the Financial Year 2012-13, the members of the Company passed the following ordinary/special resolutions through postal ballot.

The following Ordinary and Special Resolutions, as proposed in Postal Ballot Notice dated November 7, 2012 were passed on December 24, 2012 through Postal Ballot. Ms. Chandanbala Mehta of M/s Chandanbala Jain & Associates, Practicing Company Secretaries was appointed as scrutinizer for



overseeing the postal ballot process. The above resolutions were passed with requisite majority as per following details:

Sr. No.	Date of passing of the resolution	Nature of the resolution Ordinary/ Special	Particulars of Resolution	% of votes casted in favour of resolution
1.	24/12/2012	Ordinary Resolution	Reclassification of Authorised Share Capital.	74.58%
2.	24/12/2012	Ordinary Resolution	Alteration of Clause V of Memorandum of Association of the Company.	74.58%
3.	24/12/2012	Special Resolution	Alteration of Article 3 of the Articles of Association of the Company.	74.58%
4.	24/12/2012	Special Resolution	Raising of Funds through Issue of 12% Non Convertible Cumulative Redeemable Preference Shares of the Company on private placement basis, in one or more tranches, to M/s Industrial Investment Trust Limited (Promoter Holding Company).	74.58%
5.	24/12/2012	Ordinary Resolution	Increase limit to borrow and create charge/ mortgage properties of the Company, under Section 293 (1) (d) and 293(1) (a) respectively.	74.58%
6.	24/12/2012	Special Resolution	Inter-corporate investments, loans and guarantees under Section 372A of Companies Act, 1956.	74.58%

#### VII. DISCLOSURES:

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, its joint ventures 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.
- 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.
- There are no inter-se relationships between Directors of the Company.

#### VIII. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:

- Management Discussion and Analysis:** A Management Discussion and Analysis Report forms part of the

Annual Report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

- Related Party transactions:** A statement in summary form of transactions with related parties is periodically placed before the Audit Committee.
- Disclosure of Accounting Treatment:** The Company has followed Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of financial statements.
- Disclosure on Risk Management:** The Company has framed a Risk Management Policy which is periodically reviewed by the Board.
- 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.
- CEO/CFO Certification:** A Certificate from Mr. D. P. Goyal, Managing Director and Ms. Nuzhat Mulla, Manager-Finance of the Company on the financial statements of the Company was placed before the Board.
- 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 Serial no.2, 4, 5, & 6 of the Notice convening the meeting.

#### IX. MEANS OF COMMUNICATION:

- The quarterly / annual results are communicated to the BSE Limited where the Company's shares are listed and published in Free Press Journal (English) and Navshakti (Marathi).
- The Company has not made any presentation to any institutional investors or to any analysts during the year.
- The Annual General Meeting of the Company is the principal forum for face-to-face communication with the Shareholders.
- All items required to be covered in the Management Discussion and Analysis Report has been included in the Directors' Report to Members.
- The website of the Company [www.iitlprojects.com](http://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 Company's website and website of BSE Limited where the shares of the Company are listed.

### X. GENERAL SHAREHOLDERS INFORMATION

<b>Company Registration Details</b>	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.
<b>AGM : Date and Time Venue</b>	September 7, 2013 at 12.00 noon. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Dubash Marg, Kaala Ghoda, Mumbai- 400 001.
<b>Financial Calendar</b>	<b>(Tentative)</b> Financial Year ending March 31, 2014
<b>Results for Quarter ending:</b>	
June 30, 2013	On or before August 14, 2013
September 30, 2013	On or before November 14, 2013
December 31, 2013	On or before February 14, 2014
March 31, 2014 (Audited)	On or before May 30, 2014
<b>Date of Book Closure</b>	August 31, 2013 to September 7, 2013 (both days inclusive)
<b>Dividend Payment Date</b>	Not Applicable
<b>Listing on Stock Exchange</b>	BSE Limited
<b>Scrip Code</b>	531968
<b>Payment of Listing Fees</b>	Annual listing fee for the year 2013-14 (as applicable) has been paid by the Company to BSE.
<b>Market price Data : High, Low during each month in the financial year 2012-2013</b>	See point (a) & (b) below
<b>Registrar and Share Transfer Agents</b>	<b>Purva Share registry (India) Private Limited</b> 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011. Tel: (022) 2301 8261/2301 6761
<b>Share Transfer System</b>	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.
<b>Distribution of share-holding &amp; Summary of Shareholding Pattern</b>	See Point (c) & (d)
<b>Demat ISIN Numbers in NSDL &amp; CDSL for Equity Shares</b>	ISIN: INE786E01018
<b>De-materialization of shares and liquidity</b>	As on March 31, 2013, 86.98% of the Company's total equity shares representing 43,41,185 shares were held in dematerialized form and balance 13.02% representing 6,49,715 shares were held in physical form.
<b>Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity</b>	The Company has not issued any GDRS/ADRS/Warrants or any convertible instruments as on March 31, 2013.

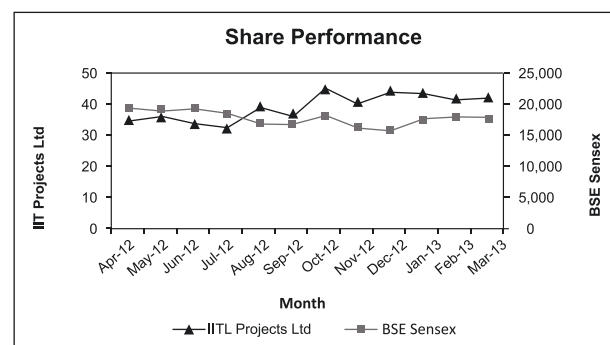
<b>Plant Location</b>	The Company operates from Mumbai and Delhi Office in India and have site offices at all its Projects sites. The Company does not have a manufacturing plant.
<b>Address for correspondence</b>	<b>Regd. Off.:</b> Rajabhadur Mansion, 2 <sup>nd</sup> Floor, 28, Bombay Samachar Marg, Mumbai 400 001. Tel : 91 22 43250100 Fax : 91 22 22651105 Or <b>Purva Share registry (India) Private Limited</b> 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011. Tel: (022) 2301 8261/2301 6761

#### a) Stock Market Price Data at BSE

Month	BSE	
	High	Low
April - 2012	43.05	43.00
May - 2012	43.05	43.00
June - 2012	45.20	40.90
July - 2012	45.20	40.90
August - 2012	40.90	39.90
September - 2012	40.00	39.85
October - 2012	40.00	40.00
November - 2012	40.00	40.00
December - 2012	38.50	37.50
January - 2013	35.65	24.25
February - 2013	23.05	18.00
March - 2013	22.80	18.90

#### b) Graph

##### Share Price/BSE (Monthly Closing)





## c) Distribution of shareholding as on March 31, 2013

Range of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
upto 5,000	277	69.95	29677	0.59
5,001 to 10,000	30	7.58	24262	0.49
10,001 to 20,000	37	9.34	57099	1.14
20,001 to 30,000	8	2.02	20699	0.41
30,001 to 40,000	8	2.02	26762	0.54
40,001 to 50,000	2	0.51	8963	0.18
50,001 to 1,00,000	13	3.28	103437	2.07
1,00,001 and above	21	5.30	4720001	94.57
<b>Total</b>	<b>396</b>	<b>100.00</b>	<b>49,90,900</b>	<b>100.00</b>

## d) Summary of Shareholding Pattern as on March 31, 2013

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoters	1	35,80,347	71.74
Bodies Corporate	26	2,68,398	5.38
Indian Public :			
a) Individual Shareholders holding nominal share capital up to ₹ 1 lakh.	344	2,32,186	4.65
b) Individual Shareholders holding nominal in excess of ₹ 1 lakh.	16	8,93,664	17.91
NRIs	3	2,568	0.05
HUF	6	13,737	0.28
Clearing Member	-	-	-
<b>Total</b>	<b>396</b>	<b>49,90,900</b>	<b>100.00</b>

**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

Mumbai, August 01, 2013

**AUDITORS' CERTIFICATE****TO THE MEMBERS OF  
IITL PROJECTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **IITL PROJECTS LIMITED**, for the year, ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No. 117365W)

Z.F. Billimoria  
Partner

(Membership No. 42791)

Mumbai, August 1, 2013