

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, 2012 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 2011-12 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 2011-12

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
Mr. T. M. Nagarajan*	NI/NEC**	4	No	3	2	2
Dr. B. Samal	NI/NE	6	Yes	10	5	3
Mr. Bipin Agarwal	NI/NE Promoter	6	Yes	8	1	1
Mr. R. S. Loona	I/NE	6	Yes	4	4	-
Mr. R. K. Mittal	I/NE	6	Yes	4	2	4
Mr. Venketesan Narayanan	I/NE	6	Yes	1	-	-
Mr. D.P.Goyal	Managing Director	4	Yes	-	-	-

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

* Resigned on August 8, 2011 and joined on February 3, 2012.

** Non Executive Chairman upto August 8, 2011.

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 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 2011-12, Six (6) Board Meetings were held on the following dates:

May 20, 2011, May 30, 2011, July 27, 2011, September 10, 2011, October 20, 2011, and February 3, 2012.

III. AUDIT COMMITTEE:

The Audit Committee was constituted on June 30, 2001. It was last reconstituted on February 3, 2012. The Audit Committee comprises of three Independent Directors and one Non-Independent Director. Each Member of the Committee has the relevant experience in the field of accounts and finance, with the chairman of the Committee being a Chartered Accountant.

Ms. Simmi Singh Bisht 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 May 20, 2011, May 30, 2011, July 27, 2011, October 20, 2011 and February 3, 2012.

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. R. K. Mittal	Chairman	5
Mr. T. M. Nagarajan*	Member	Nil
Mr. R. S. Loona	Member	5
Mr. Venkatesan Narayanan	Member	5

* w.e.f February 3, 2012.

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. R. K. Mittal	Member
Mr. Venkatesan Narayanan	Member

Remuneration paid to the Managing Director during the year 2011-12

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 2011-12 is given below:

	(Rs.)
Salary	24,00,000
Contribution to the provident fund	Nil

Details of sitting fees to Non-Executive Directors for the year 2011-2012 are given below:

Name	Board Meetings Rs.	Committee Meetings Rs.	Total Rs.
Mr. T.M. Nagarajan	40,000	Nil	40,000
Dr. B. Samal	60,000	Nil	60,000
Mr. Bipin Agarwal	60,000	Nil	60,000
Mr. R. S. Loona	60,000	30,000	90,000
Mr. R. K. Mittal	60,000	30,000	90,000
Mr. Venkatesan Narayanan	60,000	30,000	90,000

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.

None of the directors held any equity shares in the company as on March 31, 2012.

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, one (1) meeting of the Shareholders'/Investors' Grievance & Share Transfer Committee was held on May 30, 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
Mr. R.S.Loona	Chairman	1
Mr. R. K. Mittal	Member	1
Mr. Venketesan Narayanan	Member	1

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

Shareholders/Investors Complaints	Complaint Nos.
Complaints as on April 1, 2011	Nil
Complaints received during 2011-12	1
Complaints disposed off during 2011- 2012	1
Complaints remaining unresolved as on March 31, 2012	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
2008-2009	15 th AGM	Thursday, August 27, 2009 at 4.30 p.m.	Registered Office : Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001	1. Alteration in Articles of Association pursuant to increase in authorized share capital 2. Issue of shares on Rights Basis

				3. Appointment of Mr. T.M. Nagarajan as Executive Chairman and approval of remuneration paid to him.
2009-2010	16 th AGM	Thursday, September 16, 2010 at 11.00 a.m.	Registered Office : Rajabhadur Mansion, 2 nd 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 th AGM	Saturday, September 10, 2011 at 12.00 p.m.	M.C.Ghia Hall, 2 nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai- 400 001.	No special Resolution was passed

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, December 5, 2008 at 3.00 p.m.	Registered Office: Rajabhadur Mansion, 2 nd Floor, 28, Bombay Samachar Marg, Fort, Mumbai 400 001.	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 2011-2012.

VII. DISCLOSURES:

- a) 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.
- 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 Mr. D. P. Goyal, Managing Director 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 Notice no.2, 3, & 5 of the Notice convening the meeting.

IX. MEANS OF COMMUNICATION:

- a) 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).
- b) The Company has not made any presentation to any institutional investors or to any analysts during the year.
- c) The Annual General Meeting of the Company is the principal forum for face-to-face communication with the Shareholders.
- d) All items required to be covered in the Management Discussion and Analysis Report has been included in the Directors' Report to Members.
- e) 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 Company's website and website of BSE Limited where the shares of the Company are listed.

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.
AGM : Date and Time Venue	September 20, 2012 at 12.30 p.m. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building 18/20, Dubash Marg, Kala Ghoda, Mumbai- 400 001.
Financial Calendar Financial Year ending <u>Results for Quarter ending :</u> June 30, 2012 September 30, 2012 December 31, 2012 March 31, 2013 (Audited)	(Tentative) March 31, 2013 On or before August 14, 2012 On or before November 14, 2012 On or before February 14, 2013 On or before May 30, 2013
Date of Book Closure	September 13, 2012 to September 20, 2012 (both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	BSE Limited
Scrip Code	531968
Payment of Listing Fees	Annual listing fee for the year 2012-13 (as applicable) has been paid by the Company to BSE.
Market price Data : High , Low during each month in the financial year 2011-2012	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 March 31, 2012, 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.
Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely	There were no such outstanding instruments as on March 31, 2012

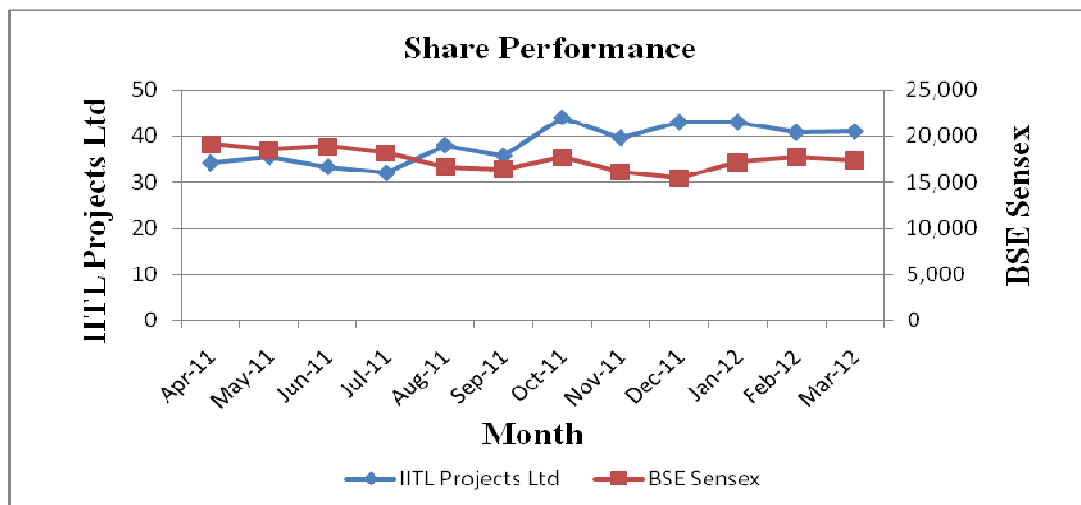
impact on equity	
Plant Location	The Company operates from Mumbai and Delhi Office in India and have site offices at all its Projects sites. The Company does not have a manufacturing plant.
Address for correspondence	<p>Regd. Off.: Rajabhadur Mansion, 2nd Floor, 28, Bombay Samachar Marg, Mumbai 400 001.</p> <p>Or</p> <p>Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai -400 011</p>

a) Stock Market Price Data at BSE

<u>Month</u>	BSE	
	High	Low
April – 2011	41.60	34.00
May – 2011	38.70	32.75
June – 2011	35.00	33.30
July – 2011	33.00	30.20
August- 2011	38.00	27.75
September –2011	40.15	35.00
October –2011	44.00	33.95
November – 2011	43.90	36.25
December – 2011	43.10	37.70
January – 2012	44.00	42.85
February – 2012	40.90	38.90
March – 2012	41.00	41.00

b) Graph

Share Price/BSE (Monthly Closing)



c) **Distribution of shareholding as on March 31, 2012**

Range of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
upto 5,000	269	69.15	2,93,340	0.59
5,001 to 10,000	30	7.71	2,43,880	0.49
10,001 to 20,000	37	9.51	5,70,990	1.14
20,001 to 30,000	8	2.06	2,06,990	0.41
30,001 to 40,000	8	2.06	2,67,620	0.54
40,001 to 50,000	2	0.51	89,630	0.18
50,001 to 1,00,000	13	3.34	10,34,540	2.07
1,00,001 and above	21	5.66	4,72,02,010	94.58
Total	388	100.00	4,99,09,000	100.00

d) **Summary of Shareholding Pattern as on March 31, 2012**

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoters	1	35,80,347	71.74
Bodies Corporate	28	2,69,036	5.39
Indian Public:			
a) Individual Shareholders holding nominal share capital up to Rs. 1 lakh.	334	2,31,548	4.64
b) Individual Shareholders holding nominal in excess of Rs. 1 lakh.	16	8,93,664	17.90
NRIs	3	2,568	0.05
HUF	6	13,737	0.28
Clearing Member	-	-	-
Total	388	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 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.

On behalf of the Board of Directors

D. P.Goyal
Managing Director

Place: Mumbai
Date: August 9, 2012