

## REPORT ON CORPORATE GOVERNANCE

### I. 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.

### II. BOARD OF DIRECTORS:

The Board consists of experienced professional drawn from diverse fields. The Board as on March 31, 2014 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 2013-14 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 2013-14

Name of the Director	Category	Attendance Particulars		No. of Other Directorships held*	No. of Committee Memberships of other Companies#	No. of Committee Chairmanships of other Companies
		Board Meeting	Last AGM			
Dr. B. Samal	NI/NEC	5	Yes	9	3	3
Mr. Bipin Agarwal	NI/NE Promoter	5	Yes	7	1	1
Mr. R. S. Loona	I/NE	5	Yes	4	3	1
Mr. Venkatesan Narayanan	I/NE	5	Yes	2	1	-
Mr. D.P. Goyal	Managing Director	5	Yes	-	-	-
Mr. Jayant N. Godbole	I/NE	5	Yes	13	7	3
Mr. Milind S. Desai	I/NE	5	Yes	-	-	-

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

\* Excludes Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 25 of Companies Act, 1956 and Private Companies.

# As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Shareholders'/Investors' Grievance 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, to the extent applicable to the Company has been placed before the Board for its consideration.

c) Meetings of the Board of Directors:

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.

During the year 2013-14, 5 Board Meetings were held i.e. on, May 14, 2013, August 1, 2013, September 7, 2013, October 29, 2013, and January 27, 2014.

### III. COMMITTEES OF THE BOARD

The Board has constituted the following Committees of Directors:

#### a. 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' Reports, 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 recommend appointment and decide the remuneration of the auditors.

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 14, 2013, August 1, 2013, October 29, 2013 and January 27, 2014.

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

Audit Committee Members	Status	No. of Audit Committee Meetings held	No. of Audit Committee Meetings Attended
Mr. Milind S. Desai*	Chairman	4	4
Dr. B. Samal	Member	4	4
Mr. R. S. Loona*	Member	4	4
Mr. Venkatesan Narayanan*	Member	4	4

\* Independent Director.

Ms. Reena Shah, Company Secretary & Compliance 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.

**b) Remuneration Committee (Non Mandatory):**

The Remuneration Committee was constituted on December 16, 2002. It was last reconstituted on May 14, 2013. The Remuneration Committee comprises three Non-Executive Directors.

**The broad terms of reference of the Remuneration Committee are as under**

Main functions of the Remuneration Committee include 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 meeting of Remuneration Committee was held on May 14, 2013

**The Composition and attendance of members of the Remuneration Committee Meeting is as follows:**

Remuneration Committee Members	Status	No. of Remuneration Committee Meeting held	No. of Remuneration Committee Meetings Attended
Mr. R. S. Loona*	Chairman	1	1
Mr. Venkatesan Narayanan*	Member	1	1
Mr. Jayant Godbole*	Member	1	1

\* Non-Executive Director.

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 May 14, 2013 and approved by the Members at the Annual General Meeting held on September 07, 2013. The tenure of office of the Managing Director is for a period of 1

year w.e.f. July 5, 2013. The service condition provides that his service may be terminated by either party, by giving three months' 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 2013-14 is given below:

(₹)

Name	Salary	Perquisites	Contribution to P.F and other funds	Total
	₹	₹	₹	₹
Mr. D. P. Goyal	26,21,774	Nil	Nil	26,21,774

Details of remuneration paid to Non-Executive Directors for the year 2013-2014 are given below:

**Sitting Fees**

Name	Board Meetings	Committee Meetings	Total
	₹	₹	₹
Dr. B. Samal	75,000	60,000	135,000
Mr. Bipin Agarwal	75,000	---	75,000
Mr. R. S. Loona	75,000	105,000	180,000
Mr. Venkatesan Narayanan	75,000	105,000	180,000
Mr. Jayant N. Godbole	75,000	15,000	90,000
Mr. Milind S. Desai	75,000	90,000	165,000

During the year, the Non-Executive Directors are paid sitting fees at the rate of ₹ 15,000/- for attending each meeting of the Board and ₹ 15,000/- for attending each Committee meeting thereof.

None of the directors held any equity shares in the company as on March 31, 2014.

**Stock Option:**

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

**c) Shareholders'/Investors' Grievance & Share Transfer Committee:**

The Board had constituted Share Transfer & Shareholders'/Investors' Grievance Committee on December 16, 2002. The Committee was last reconstituted on May 14, 2013. 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 shareholders, including redressing of complaints received from shareholders, relating to transfer of shares, non-receipt of balance sheets, dividends etc.

During the year under review, there were no transfer/transmission and grievances received from the shareholders of the Company. The Shareholders'/Investors' Grievance &



Share Transfer Committee met twice on May 14, 2013 and March 24, 2014.

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 Members held	No. of Shareholders'/Investors' Grievance & Share Transfer Committee Meetings Attended
Mr. R.S.Loona*	Chairman	2	2
Mr. Venkatesan Narayanan*	Member	2	2
Mr. Milind S. Desai*	Member	2	2

\* Non-Executive Director.

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 2013-14	Nil
Complaints disposed off during 2013- 2014	Nil
Complaints remaining unresolved as on March 31, 2014	Nil

The Company attends to investors & shareholders grievances within 10 days from the date of receipt of the same.

#### IV. GENERAL BODY MEETINGS:

a. 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
2010-2011	17 <sup>th</sup> AGM	Saturday, September 10, 2011 at 12.00 noon	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 12.30 p.m.	M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai- 400 001.	No special Resolution was passed
2012-2013	19 <sup>th</sup> AGM	Saturday, September 7, 2013 at 12.00 noon	M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kaala Ghoda, Mumbai- 400 001.	Re-appointment of Mr. D.P.Goyal as Managing Director of the Company.

b. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

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

No special resolution was proposed or passed through Postal ballot during the Financial Year 2013-14.

#### V OTHER 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 note no. 3.28 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.
- The Non-Mandatory requirements of composition of the Board, Remuneration Committee, Shareholders rights with respect to declaration of financial performance and having a regime of unqualified financial statements have been adhered to.

#### VI 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:** In terms of the requirements of Clause 49(V) of the Listing Agreement, the Managing Director, Mr. D.P.Goyal has submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 19, 2014.



- g) **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, 3, 5, 6, 7 & 8 of the Notice convening the meeting.

**VII 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 forms part of Annual Report.
- e) 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.

**VIII 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>	August 30, 2014 at 11.30 a.m. 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, 2015
Results for Quarter ending:	
June 30, 2014	On or before August 14, 2014
September 30, 2014	On or before November 14, 2014
December 31, 2014	On or before February 14, 2015
March 31, 2015 (Audited)	On or before May 30, 2015
<b>Date of Book Closure</b>	August 23, 2014 to August 30, 2014 (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 2014-15 (as applicable) has been paid by the Company to BSE.

<b>Market price Data : High , Low during each month in the financial year 2013-2014</b>	See point (a) & (b) below
<b>Registrar and Share Transfer Agents</b>	<b>Purva Sharegistry (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 15 days from the date of receipt, if the documents are clear in all respects.
<b>Distribution of shareholding &amp; Summary of Shareholding Pattern</b>	See Point (c) & (d) below
<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, 2014, 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, 2014.
<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, 2nd Floor, 28, Bombay Samachar Marg, Mumbai 400001. Tel : 91 22 43250100 Fax : 91 22 22651105 Or <b>Purva Sharegistry (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

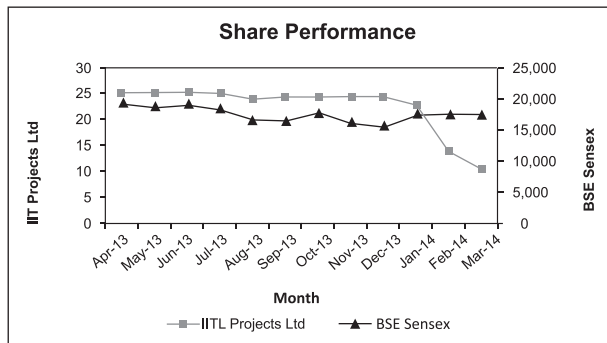
**a) Stock Market Price Data at BSE**

Month	BSE	
	High	Low
April - 2013	Nil*	Nil
May - 2013	25.00	23.85
June - 2013	Nil*	Nil*
July - 2013	Nil*	Nil*
August - 2013	23.80	23.80
September - 2013	24.30	24.30
October - 2013	Nil*	Nil*
November - 2013	Nil*	Nil*
December - 2013	Nil*	Nil*
January - 2014	24.00	22.85
February - 2014	21.75	13.95
March - 2014	14.24	10.65

\* There were no trades conducted during these months.

**b) Graph**

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



**c) Distribution of shareholding as on March 31, 2014**

Range of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares	% of total shares
upto 5,000	279	70.28	283540	0.57
5,001 to 10,000	31	7.81	251120	0.50
10,001 to 20,000	35	8.82	539200	1.08
20,001 to 30,000	7	1.76	181830	0.36
30,001 to 40,000	7	1.76	235620	0.47
40,001 to 50,000	3	0.76	137120	0.27
50,001 to 1,00,000	14	3.53	1076560	2.16
1,00,001 and above	21	5.29	47204010	94.58
<b>Total</b>	<b>397</b>	<b>100.00</b>	<b>49,90,900</b>	<b>100.00</b>

**d) Summary of Shareholding Pattern as on March 31, 2014**

Category	No. of Shareholders	No. of Shares held	% of total shares
Promoters	1	35,80,347	71.74
Bodies Corporate	26	2,77,119	5.55
Indian Public :			
a) Individual Shareholders holding nominal share capital up to ₹ 1 lakh.	344	2,23,455	4.48
b) Individual Shareholders holding nominal in excess of ₹ 1 lakh.	16	8,93,664	17.91
NRIs	3	2,568	0.05
HUF	7	13,747	0.28
Clearing Member	-	-	-
<b>Total</b>	<b>397</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**

**Dr.B.Samal**

Chairman

DIN 00007256

Mumbai, July 24, 2014