



**Reliance**  
**Industrial Infrastructure Limited**

**Eighteenth Annual Report**

**2005-2006**

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# Company Information

## Board of Directors

Mahesh K. Kamdar Chairman

Satyapal Jain

Sandeep H. Junnarkar

S. C. Malhotra

Bharat C. Gosalia

Dilip V. Dherai Executive Director - Projects

## Company Secretary

N. Shanker

## Audit Committee

Satyapal Jain Chairman

Sandeep H. Junnarkar

S. C. Malhotra

## Shareholders' / Investors' Grievance Committee

Satyapal Jain Chairman

Sandeep H. Junnarkar

Bharat C. Gosalia

## Remuneration Committee

Satyapal Jain Chairman

Sandeep H. Junnarkar

S. C. Malhotra

Bharat C. Gosalia

## Auditors

Chaturvedi & Shah

## Solicitors & Advocates

Kanga & Co.

## Bankers

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Syndicate Bank

## Registered Office

5th Floor, NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road,  
Mumbai - 400 020.

Phone : 022 - 3041 1871

Fax : 022 - 3041 1074

## Share Transfer Agent

### Karvy Computershare Private Limited

Karvy House, 46, Avenue 4, Street No.1,  
Banjara Hills, Hyderabad - 500 034.

Phone : 040 - 2332 0666/ 0711/ 3031/ 3037

Fax : 040-2332 3058

Website : <http://www.karvy.com>

Email : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)



## Notice

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Reliance Industrial Infrastructure Limited will be held on **Wednesday, 12th July, 2006 at 11.00 a.m., at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020**, to transact the following **ordinary** business :

1. To consider and adopt the audited Balance Sheet as at 31st March 2006, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Mahesh K. Kamdar, who retires by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By Order of the Board of Directors

**N. Shanker**  
Company Secretary

**Mumbai,**  
Dated : **10th June, 2006**

**Registered Office :**  
5th Floor, NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road,  
Mumbai - 400 020

### Notes :

1. **A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.**
2. Members are requested to bring their Attendance Slip alongwith their copy of Annual Report to the Meeting.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio numbers in the Attendance Slip for attending the Meeting.
5. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

### 6. Dividend :

- (a) The Company has already notified closure of Register of Members and Transfer Books **from Tuesday, 4th July, 2006 to Tuesday, 11th July, 2006**, (both days inclusive) for determining the names of Members eligible for dividend on equity shares, if declared at the Meeting.
- (b) The Dividend on Equity Shares, if declared at the Meeting, will be paid on or after 12th July, 2006 to those Members whose names shall appear on the Company's Register of Members on Monday, 3rd July, 2006. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Monday, 3rd July, 2006.
- (c) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Share Transfer Agent - Karvy Computershare Private Limited, under the signature of the Sole / First joint holder, the following information to be incorporated on dividend warrants :-

- i. Name of Sole / First joint holder and Folio Number.
- ii. Particulars of Bank Account, viz.:
  - (a) Name of the Bank
  - (b) Name of the Branch
  - (c) Complete address of the Bank with Pin Code number
  - (d) Account type, whether Savings (SA) or Current Account (CA)
  - (e) Bank Account number



(d) Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. **Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.**

7. The Company has transferred all unpaid / unclaimed dividends declared upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have so far not claimed or collected their dividends declared upto the aforesaid financial year are requested to claim such dividends from:-

**The Registrar of Companies, Maharashtra  
CGO Complex, 2nd Floor,  
"A" Wing, CBD-Belapur,  
Navi Mumbai - 400 614  
Telephone (091)(022) 2757 6802**

by making an application in Form II of the Rules. A specimen of the said Claim Form is provided in the Annual Report.

8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid / unclaimed dividends for the financial years 1994-1995 to 1997-1998 to the **Investor Education and Protection Fund (IEPF)** established by the Central Government. Dividends for the financial years ended 31st March, 1999 and thereafter, which remain unpaid / unclaimed for a period of 7 years will be transferred by the Company to IEPF. **Information in respect of such unpaid / unclaimed dividends and the last date for claiming the same are provided in the Shareholders' Referencer, forming part of the Annual Report.**

Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Share Transfer Agent - Karvy Computershare Private Limited immediately. **Members 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.**

9. Members may please note that the Company has **not issued any new share certificate** consequent to change in name of the Company from **Chembur Patalganga Pipelines Limited to CPPL Limited** (with effect from 11th September, 1992) and thereafter to **Reliance Industrial Infrastructure Limited** (with effect from 16th March, 1994) but has sent change of name stickers to be affixed on the share certificates. Members holding shares in physical form who have not received these stickers may please write to the Share Transfer Agent - Karvy Computershare Private Limited, for forwarding the stickers to them.
10. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Share Transfer Agent, M/s. Karvy Computershare Private Limited, for consolidation into a single folio.
12. Queries on the Annual Report and Operations of the Company, if any, may please be sent to the Company seven days prior to the date of the Meeting so that the answers may be made available at the Meeting.
13. **Re-appointment of Director:**

In terms of the Articles of Association of the Company, Shri Mahesh K. Kamdar retires by rotation, and being eligible, offers himself for re-appointment. A brief resume of Shri Mahesh K. Kamdar, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are furnished hereunder:-

Shri Mahesh K. Kamdar is a Director of the Company since 23rd July, 1990. He was the Whole-time Director designated as Executive Director - Commercial of the Company from 1st July 1993. He ceased to be Whole-time Director and was elected as a non-executive Chairman of the Board of Directors of the Company with effect from 27th February, 2006. He completed his graduation in



Commerce from Bombay University. He has extensive experience and possesses expertise in the fields of pipes and steel as also other related products used in engineering, pharmaceutical, chemical and petrochemical industries. He is also on the Board of Reliance Exports Private Limited, Paridhi Tradecom Private Limited, Symphony Impex (India) Private Limited, SANA Tradecom Private Limited, The Indian Film Combine Private Limited and BecRel Engineering Private Limited. He does not hold any membership of a committee of the Board in any Company. Shri Mahesh K. Kamdar holds 482 shares in the Company. The Board of Directors of the Company commends his re-appointment.

**14. Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**

By Order of the Board of Directors

**N. Shanker**  
Company Secretary

**Mumbai,**  
Dated : **10th June, 2006**

**Registered Office :**  
5th Floor, NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road,  
Mumbai - 400 020



## Directors' Report

Your Directors are pleased to present the 18th Annual Report and the Audited Accounts for the year ended 31st March, 2006.

### Financial Results :

The performance of the Company for the financial year ended 31st March, 2006 is summarised below:

|   | (Rs in Crore) |               |
|---|---------------|---------------|
|   | 2005-2006     | 2004-2005     |
| Gross Profit before interest and depreciation | 45.23         | 39.29         |
| Less : Interest                               | 7.02          | 5.03          |
| Depreciation                                  | 16.07         | 19.59         |
| Less : Transfer from General Reserve          | <u>1.72</u>   | <u>2.17</u>   |
|   | <u>14.35</u>  | <u>17.42</u>  |
| <b>Profit before Tax</b>                      | <b>23.86</b>  | <b>16.84</b>  |
| Less : Provision for Taxation                 |               |               |
| – Current Tax                                 | 10.05         | 6.07          |
| – Deferred Tax                                | <u>(4.65)</u> | <u>(6.70)</u> |
|   | <u>(5.40)</u> | <u>(0.63)</u> |
| <b>Profit after Tax</b>                       | <b>18.46</b>  | <b>17.47</b>  |
| Add : Balance in Profit and Loss Account      | 24.15         | 17.21         |
| Amount Available for Appropriations           | <u>42.61</u>  | <u>34.68</u>  |
| <b>Appropriations :</b>                       |               |               |
| Debenture Redemption Reserve                  | 1.52          | 0.02          |
| General Reserve                               | 18.00         | 5.00          |
| Proposed Dividend on Equity Shares            | 5.28          | 4.83          |
| Tax on Dividend                               | 0.74          | 0.68          |
| Balance carried to Balance Sheet              | 17.07         | 24.15         |
|   | <u>42.61</u>  | <u>34.68</u>  |

### Dividend :

The Directors have recommended a dividend of Rs. 3.50 per Equity Share of Rs. 10/- each for the year ended on 31st March, 2006, which, if approved at the forthcoming Annual General Meeting, will be paid to (i) all those Members whose names appear in the Register of Members as on 3rd July, 2006 and (ii) all those Members whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

The total cash outflow on account of this dividend including distribution tax will be Rs 6.02 crore. The Company has consistently paid out dividend since inception.

### Change in Promoter of the Company :

With effect from 24th February 2006, Reliance Industries Limited (RIL) has become the new promoter having control over the Company in place of Shri Satyapal Jain along with Persons Acting in Concert with him consequent to the passing of a Special Resolution through postal ballot by the members of the Company

under the provisions of Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. RIL holds 46.23% of the voting capital in the Company.

### Management's Discussion and Analysis

#### Financial Review :

The Company earned a gross income of Rs. 75.35 crore for the financial year ended 31st March, 2006, as compared to Rs. 68.67 crore in the previous year, an increase of 9.7%.

As a result, the gross profit for the year was higher at Rs. 45.23 crore as against Rs. 39.29 crore in the previous year.

Interest expenditure for the year under review increased by 39.6% to Rs. 7.02 crore from Rs. 5.03 crore in the previous year.

Depreciation during the year was lower at Rs. 14.35 crore, as compared to Rs. 17.42 crore for corresponding period in the previous year.

The Company has earned a higher net profit of Rs. 18.46 crore for the year as compared to Rs. 17.47 crore in the previous year, an increase of 5.6%.

The cash profit of the Company was at Rs 28.16 crore as compared to Rs 28.19 crore in the previous year.

The return on equity was 16.4% as compared to 17.4% in the previous year and return on capital employed was 11.2% as compared to 10.4% in the previous year.

#### Resources and Liquidity :

As on 31st March, 2006, the debt to equity ratio of the Company is at 0.96 : 1. The Company's long term debt as on 31st March 2006 stood at Rs 114 crore.

The Company's networth as on 31st March, 2006 was Rs. 125.46 crore, with paid-up capital of Rs. 15.10 crore and accumulated reserves and surplus of Rs. 110.36 crore.

#### Industry Structure and Developments :

The infrastructure related project and construction industry in India are characterised by a few large sized government companies and private sector companies involved in mega projects like roads, ports etc. and a very large number of small to medium sized companies involved in housing construction, IT Parks etc.

The key to the economic prosperity of our nation and future prosperity depends on the development of infrastructure such as roads, ports, electricity, telecommunications and urban infrastructure. The Government of India continues to take measures to substantially liberalise the infrastructure sector by allowing private sector participation in virtually all infrastructure sub-sectors. The power, telecommunications, roads and ports sub-sectors have proceeded quickly to accommodate private investors and provide financial incentives for private sector entry and operation.





**Opportunities :**

Indian economy continued to perform well with real GDP growth of around 8% and remained one of the fastest growing economies of the world. The Government of India continues to provide, in its annual budget, for major expenditure outlays on infrastructure like highways, metro rail networks, ports, airports, power and telecommunications.

It is heartening to note that RIL, the Promoter, is setting up mega projects like Export Oriented Refinery, Special Economic Zone based Infrastructure and vigorously pursuing Oil & Gas exploration and development. This is expected to provide opportunities to the Company.

**Challenges :**

The Company faces normal business challenges of market competition in its business. The Company adopts suitable business strategies to counter these challenges enabling the Company to maintain satisfactory performance.

**Outlook :**

The Company intends to maintain its focus in the infrastructure sector while addressing new opportunities, which would enable enhancement of shareholder value.

**Risks and Concerns :**

As a part of overall risk management strategy, the Company consistently insures its assets and operations against wide range of risks. The Company continues to follow a suitable strategy to modify its risk profile by eliminating and significantly reducing key business risks.

**Adequacy of Internal Control :**

The company has a proper and adequate internal control system commensurate with its nature of business and meets the following objectives :

- Efficient use and safeguarding of resources;
- Compliance with policies and procedures; and
- Transactions being accurately recorded and promptly reported.

The Audit Committee of the Board of Directors reviews the adequacy of internal control.

**Human Resource Development (HRD) :**

The Company has a team of able and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees. It employs 160 persons and provides personal development opportunities and all round exposure to them.

**Fixed Deposits :**

The Company has not accepted any fixed deposit from the Public during the year.

**Directors :**

Shri Mahesh K. Kamdar retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

**Directors' Responsibility Statement :**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :-

- i. in the preparation of the accounts for the financial year ended 31st March, 2006, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. the Directors have selected such accounting policies 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 31st March, 2006 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the accounts for the financial year ended 31st March, 2006 on a "going concern" basis.

**Auditors :**

M/s Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received requisite letters under Sections 224(1B) and 226 of the Companies Act, 1956 from the Auditors regarding their eligibility for re-appointment as Auditors of the Company.

**Personnel :**

There was no employee in respect of whom information is required to be given pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**Corporate Governance :**

As a Listed Company, necessary measures are taken to comply with the conditions stipulated in the Listing Agreements with the Stock Exchanges. A report on Corporate Governance and a certificate on Corporate Governance from the Auditors, forms part of this Report.

**Secretarial Audit Report :**

Your Company voluntarily appointed Dr. K.R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2006. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreement with





the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

**Transfer of Unpaid / Unclaimed amounts to Investor Education and Protection Fund (IEPF) :**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid/ unclaimed for a period of 7 years have been transferred by the Company to the IEPF established by the Central Government pursuant to Section 205C of the said Act.

**Other Information :**

Particulars required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

- i. Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- ii. Foreign Exchange earnings and outgo :  
Earnings - Nil  
Outgo - Rs. 9.49 lac

**Acknowledgement :**

The Directors acknowledge, with gratitude, the co-operation and assistance received from the Government, Banks, other Business constituents, Members and Employees during the year under review.

For and on behalf of the Board of Directors

**Mahesh K. Kamdar**  
Chairman

**Mumbai,**  
Dated : **22nd April, 2006**

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**Annexure to the Directors' Report**  
**Certificate on Corporate Governance**

To the Members,

**Reliance Industrial Infrastructure Limited**

We have examined the compliance of conditions of Corporate Governance by Reliance Industrial Infrastructure Limited, for the year ended on 31st March, 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

**Mumbai**  
Dated : **22nd April, 2006**

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141



## Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance, the Company submits, hereunder, a report on the matters mentioned in the said Clause and the practice followed by the Company :

### 1. Company's Philosophy on Corporate Governance :

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders, government, lenders and employees.

The Company recognises that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all the stakeholders.

### 2. Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board of Directors of the Company (the Board) consists of 6 Directors, out of which 2 are Independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows:

| Category                                   | Name of the Directors                           |
|--|---|
| Non-Independent<br>Non-Executive Chairman  | Shri Mahesh K. Kamdar                           |
| Executive Director                         | Shri Dilip V. Dherai                            |
| Independent<br>Non-Executive Directors     | Shri Satyapal Jain<br>Shri Sandeep H. Junnarkar |
| Non-Independent<br>Non-Executive Directors | Shri S. C. Malhotra<br>Shri Bharat C. Gosalia   |

### 3. Board Meetings, its Committee Meetings and Procedures

#### A. Institutionalised decision making process

With a view to institutionalise all corporate affairs and set up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board and Committees thereof. These Guidelines seek to systematise the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

#### B. Scheduling and selection of Agenda Items for Board meetings

(i) Minimum five Board meetings are held in each year, which are pre-scheduled. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of

the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

(ii) The meetings are held at the Company's Registered Office at 5th Floor, N.K.M International House, 178, Backbay Reclamation, Babubhai Chinai Road, Mumbai - 400 020.

(iii) All divisions/departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee Meetings.

(iv) The information placed before the Board includes :

- Annual operating plans of businesses, capital budgets and any updates.
- Quarterly results for the Company.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also abstracts of Resolutions passed by circulation.
- Appointment or resignation of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture, acquisitions of companies or collaboration agreement, if any.
- Transactions that involve substantial payment toward goodwill, brand equity or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources.
- Sale of material nature, of investments, assets, which is not in normal course of business.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.



## Report on Corporate Governance (continued)

- Quarterly summary of all long term borrowings made, bank guarantees issued, loans and investments made.
  - Internal Audit findings and External Audit Management Reports (through the Audit Committee).
  - Status of business risk exposures, its management and related action plans.
  - Making loans and investment of surplus funds.
  - Proposals for investment, mergers and acquisitions, if any.
  - Dividend declaration.
  - General notices of interest of Directors.
  - Terms of reference of Board Committees.
- (v) The Chairman of the Board and the Company Secretary in consultation with other concerned team members of the senior management, finalises the agenda papers for the Board meetings.

### C. Board Material distributed in advance

- (i) The meetings of the Board of Directors are held at periodical intervals. The meeting dates are decided by giving appropriate notice for the same.
- (ii) Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.
- (iii) In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

### D. Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The finalised minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.

### E. Post Meeting Follow-up Mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

## F. Compliance

The Company Secretary, while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

### 4. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies :

| Name of the Director | Attendance Particulars |          | Number of other Directorships (including directorships in private companies) and Committee Memberships/ Chairmanships |                      |                        |
|----------------------|------------------------|----------|---|----------------------|------------------------|
|                      | Board Meeting          | Last AGM | *Other Directorship   | Committee Membership | Committee Chairmanship |
| Mahesh K. Kamdar     | 3                      | Yes      | 6   | -                    | -                      |
| Satyapal Jain        | 6                      | Yes      | 17  | 1                    | -                      |
| Sandeep H. Junnarkar | 7                      | Yes      | 12  | 5                    | 2                      |
| S. C. Malhotra       | 6                      | Yes      | 1   | -                    | -                      |
| Bharat C. Gosalia    | 7                      | Yes      | -   | -                    | -                      |
| Dilip V. Dherai      | 7                      | Yes      | -   | -                    | -                      |

\* The Directorships held by Directors as mentioned above, do not include Directorships of Section 25 Companies.

### 5. Number of Board Meetings held and the dates on which held

Seven Board Meetings were held during the year, as against the minimum requirement of four meetings. This met with the requirements of Clause 49 of the Listing Agreement. The Company has held at least one Board meeting in every three months. The details of the Board meetings are as under:

| Sr. No. | Date                 | Board Strength | No. of Directors Present |
|---------|----------------------|----------------|--------------------------|
| 1.      | 23rd April, 2005     | 6              | 5                        |
| 2.      | 26th July, 2005      | 6              | 5                        |
| 3.      | 16th September, 2005 | 6              | 6                        |
| 4.      | 25th October, 2005   | 6              | 5                        |
| 5.      | 10th January, 2006   | 6              | 5                        |
| 6.      | 28th January, 2006   | 6              | 5                        |
| 7.      | 24th February, 2006  | 6              | 5                        |

### 6. Board Committees

#### Standing Committees

Details of the Standing Committees of the Board and other related information are provided hereunder :

#### (i) Audit Committee

The Audit Committee constituted by the Board of Directors consists of 2 (two) Independent Non-Executive Directors viz., Shri Satyapal Jain, Shri

## Report on Corporate Governance (continued)

Sandeep H. Junnarkar and one Non-Independent Non-Executive Director viz., Shri S. C. Malhotra. During the year, Shri. Bharat C. Gosalia became a member of Audit Committee on 26th July, 2005 and thereafter ceased to be a member of Audit Committee on 28th December, 2005. All the members of the Audit Committee are financially literate. Shri Satyapal Jain, the Chairman of the Audit Committee possesses accounting / financial management expertise. The composition of the Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Shri N. Shanker - Company Secretary, is the Secretary to the Audit Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of financial reporting.

During the year, the Audit Committee met four times. Executives of Finance Department, Secretarial Department, Representatives of Internal Auditors and Statutory Auditors attended the Audit Committee Meetings by invitation.

The terms of reference / powers of the Audit Committee has been specified by the Board of Directors as under :

### a. The Audit Committee shall have the following powers :-

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### b. The role of the Audit Committee includes the following :-

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :-

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in 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 performance of Statutory and Internal Auditors, adequacy of internal control systems.
  7. 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.
  8. Discussion with Internal Auditors any significant findings and follow up thereon.
  9. 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.
  10. 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.
  11. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
  12. To review the functioning of the Whistle Blower Mechanism.
  13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
  14. To review the following information:
    - The management discussion and analysis of financial condition and results of operations;



## Report on Corporate Governance (continued)

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of Internal Auditors.

### Attendance of each Member at the Audit Committee meetings held during the year

| Name of Member of Audit Committee | No. of Meetings attended |
|-----------------------------------|--------------------------|
| Satyapal Jain - Chairman          | 4                        |
| Sandeep H. Junnarkar              | 4                        |
| S. C. Malhotra                    | 3                        |
| Bharat C. Gosalia                 | 1                        |

Four Committee meetings were held during the year. This met with the requirements of Clause 49 of the Listing Agreement. The details of the meetings are as under :

| Sr. No. | Date               | Committee Strength | No. of Members Present |
|---------|--------------------|--------------------|------------------------|
| 1.      | 23rd April, 2005   | 3                  | 3                      |
| 2.      | 26th July, 2005    | 3                  | 3                      |
| 3.      | 25th October, 2005 | 4                  | 3                      |
| 4.      | 28th January, 2006 | 3                  | 3                      |

### (ii) Remuneration Committee :

The Remuneration Committee constituted by the Board of Directors consists of 2 (two) Independent Non-Executive Directors viz., Shri Satyapal Jain, Shri Sandeep H. Junnarkar and two Non-Independent Non-Executive Director viz., Shri S. C. Malhotra and Shri Bharat C. Gosalia. The Remuneration Committee has been constituted to determine/ review the remuneration package of the Managing Directors / Whole-time Directors.

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The Whole-time Directors were paid remuneration as per the Agreements entered into between them and the Company and are duly approved by the Remuneration Committee of Directors, the Board of Directors and the shareholders in General Meeting.

### Details of remuneration and other terms of appointment of Directors :

The aggregate value of salary, allowances and perquisites paid for the year ended on 31st March, 2006 to Shri Bharat C. Gosalia (Shri Bharat C. Gosalia ceased to be a Whole-time Director with effect from 30th June, 2005) was Rs. 4.52 lac (salary and allowances Rs. 3.93 lac, perquisites Rs. 0.59 lac).

The aggregate value of salary, allowances and perquisites paid for the year ended on 31st March, 2006 to Shri Dilip V. Dherai (re-appointed as a Whole-time Director designated as Executive Director - Projects with effect from 1st July, 2004, for a period of 5 years) was Rs. 15.6 lac (salary and allowances Rs. 15.55 lac, perquisites Rs. 0.05 lac).

Besides salary, allowances and perquisites, the aforesaid Whole-time Directors are also entitled to company's contribution to provident fund, gratuity and encashment of leave as per the rules of the Company.

No remuneration was paid to Shri Mahesh K. Kamdar (re-appointed as a Whole-time Director designated as Executive Director - Commercial with effect from 1st July, 2003, for a period of 3 years) as per his terms of appointment/ agreement. However Shri Mahesh K. Kamdar was paid Sitting Fees as applicable for attending the Meeting of the Board of Directors and any Committee. Shri Mahesh K. Kamdar ceased to be Whole-time Director designated as Executive Director - Commercial w.e.f 27th February, 2006.

Service Contract of Whole-time Director can be terminated, by either party, by giving 3 months notice in writing.

The Company paid sitting fees to all Directors other than paid Whole-time Directors, at the rate of Rs. 10,000/- for attending each meeting of the Board and/ or Committee thereof. Sitting fees paid for the year ended 31st March, 2006, are as follows:-

Shri Satyapal Jain - Rs. 1,40,000/-, Shri Sandeep H. Junnarkar - Rs. 1,50,000/-, Shri S. C. Malhotra - Rs. 90,000/-, Shri Mahesh K Kamdar - Rs. 30,000/-, Shri Bharat C. Gosalia - Rs. 1,00,000/-.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

### (iii) Shareholders' / Investors' Grievance Committee:

The Committee comprises of Shri Satyapal Jain - Chairman, Shri Bharat C. Gosalia - Director and Shri Sandeep H. Junnarkar - Director. The Committee, inter alia, approves issue of duplicate share certificates and reviews all matters connected with





## Report on Corporate Governance (continued)

transfer of securities. The Committee also looks into redressing of shareholders'/ investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend etc. and also notes transfers/transmissions of securities issued by the Company. The Committee reviews the performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board has authorised Shri Bharat C. Gosalia - Director, Shri Dilip V. Dherai - Executive Director - Projects and Shri N. Shanker - Company Secretary, severally, to approve the transfer of shares, transmission of shares, folio consolidation, change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of securities, replacement of certificates etc.

Shri N. Shanker - Company Secretary has been designated by the Board as the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and in terms of the Listing Agreement.

Four Committee Meetings were held during the year. The details of the meetings are as under :

| Sr. No. | Date               | Committee Strength | No. of Members Present |
|---------|--------------------|--------------------|------------------------|
| 1.      | 23rd April, 2005   | 3                  | 3                      |
| 2.      | 26th July, 2005    | 3                  | 3                      |
| 3.      | 25th October, 2005 | 3                  | 3                      |
| 4.      | 28th January, 2006 | 3                  | 3                      |

### Investor Grievance Redressal

The total number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are provided as under -

| Type of Complaints               | Number of Complaints |
|----------------------------------|----------------------|
| Non-Receipt of Annual Reports    | 01                   |
| Non-Receipt of Dividend Warrants | 57                   |
| Non-Receipt of Certificates      | 10                   |

There were no outstanding complaints as on March 31, 2006. 2 requests for transfers and 9 requests for dematerialisation were pending for approval as on March 31, 2006, which were approved and dealt with by April 3, 2006.

### Procedure at Committee Meetings

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as may be practicable. Minutes of the proceedings of the Committee meetings are placed before the Board meetings for perusal and noting.

## 7. Code of Business Conduct and Ethics for Directors and Senior Management

The Board, vide Resolution passed on 26th December, 2005, has adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). This Code is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive as well as members of Senior Management. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centres around the following theme -

"The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

The Company does not have website. Hence the Code has not been put on any website.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Executive Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2005-06.

Dilip V. Dherai  
Executive Director

## 8. Whistle Blower Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. The reports received from any employee will be reviewed by the Compliance Officer and the Audit Committee of Directors. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.



## Report on Corporate Governance (continued)

### 9. General Body Meetings :

The last three Annual General Meetings of the Company were held as under :

| For the Year | Venue of the Meeting   | Day and Date           | Time     | Number of special resolutions passed |
|--------------|--|------------------------|----------|--------------------------------------|
| 2002-03      | Ashoka Hall, Arcadia, Behind NCPA (Tata Theatre), Nariman Point, Mumbai - 400 021                    | Saturday<br>06.09.2003 | 11.00 am | 1                                    |
| 2003-04      | Same as above  | Saturday<br>25.09.2004 | 11.00 am | -                                    |
| 2004-05      | 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400020 | Friday<br>16.09.2005   | 3.30 pm  | -                                    |

#### Note :

1. One Special Resolution was passed at the Annual General Meeting for the year 2002-03 approving the voluntary delisting of the equity shares of the Company from the Pune Stock Exchange. No Special Resolution was passed at the Annual General Meetings held for the year 2003-04 and 2004-05.
2. During the year 2005-06, consent of the members was obtained by postal ballot in terms of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for :-
  - a. Amending the list of bodies corporate in which it was proposed to profitably deploy / invest the surplus funds arising out of internal accruals of the Company as inter corporate loans, give guarantees or provide security in connection with loans and investments in bonds and/or in debentures and/or in other securities of bodies corporate by a **Special Resolution** pursuant to Section 372A of the Companies Act, 1956.
  - b. Change in control of the Company in favour of Reliance Industries Limited ('RIL') and for RIL to be recognised and classified as the new Promoter of the Company in place of Shri Satyapal Jain alongwith Persons Acting in Concert with him, by a **Special Resolution** under the provisions of Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "**SEBI Regulations**").

The Postal Ballot Forms and self-addressed envelopes alongwith requisite Notice pursuant to Section 192A of the Companies Act, 1956 were despatched to all the members of the Company. The date of despatch and the last date for receipt

of the Postal Ballot Forms from the members, duly completed are as under :-

|  | Date of Despatch   | Last date for receipt of the Postal Ballot Forms |
|--|--------------------|--|
| For Special Resolution pursuant to Section 372A of the Companies Act, 1956           | 22nd August, 2005  | 23rd September, 2005                             |
| For Special Resolution under the provisions of Regulation 12 of the SEBI Regulations | 20th January, 2006 | 21st February, 2006                              |

As required under Section 192A of the Companies Act, 2956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, Shri Anil Lohia - Chartered Accountant, Mumbai, appointed as the Scrutinizer by the Board for the aforesaid Resolutions, submitted his Reports on the Postal Ballot voting by members.

As per the Report, the Special Resolution pursuant to Section 372A of the Companies Act, 1956 was passed with an overwhelming majority of 99.97% comprising 97,57,251 votes (shares) in favour of the Resolution and 0.03% comprising 2,615 votes (shares) against it. Invalid Postal Ballot Forms comprised of 4800 votes (shares) The Result of the Postal Ballot was announced on 28th September, 2005.

As per the Report, the Special Resolution under the provisions of Regulation 12 of the SEBI Regulations was also passed with an overwhelming majority of 99.98% comprising 1,00,03,840 votes (shares) in favour of the Resolution (Including votes cast by RIL) and 0.02% comprising 2,250 votes (shares) against it. Invalid Postal Ballot Forms comprised of 31,726 votes (shares). The Result of the Postal Ballot was announced on 24th February, 2006.

None of the Resolutions passed at the aforesaid three Annual General Meetings required voting by Postal Ballot.

#### 10 a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule ' 17', forming part of the Annual Report.

The Company's related party transactions are generally with its Associate. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral





## Report on Corporate Governance (continued)

specialization and the Company's long term strategy for sectoral investments, optimization of market share and profitability, legal requirements, liquidity and capital resources of Associates.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

### 10 b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

## 11. Means of Communication :

- **Half Yearly Reports** : Half Yearly Reports covering financial results are sent to members at their registered addresses.

- **Quarterly Results** : Quarterly Results are published in 'Financial Express' and 'Navshakti' (Vernacular)

The Company uploads its financial results, shareholding pattern and other information on the SEBI EDIFAR Website maintained by National Informatics Centre (NIC): <http://www.sebiedifar.nic.in>.

- **Annual Report** : Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto.

## 12. General Shareholder Information :

|  |  |              |
|--|--|--------------|
| <b>a. Annual General Meeting (Day, Date, Time and Venue)</b> | Wednesday, 12th July, 2006 at 11.00 a.m<br>At 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020  |              |
| <b>b. Financial Calendar (2006-2007) (indicative)</b>        | Annual General Meeting (Next Year) June, 2007<br>Board Meetings :<br>Results for Quarter ending 30th June, 2006 Last week of July, 2006<br>Results for Quarter/ Half Year ending 30th September, 2006 Last week of October, 2006<br>Results for Quarter ending 31st December, 2006 Last week of January, 2007<br>Results for Year ending 31st March, 2007 Last week of April, 2007 |              |
| <b>c. Book Closure Date for Dividend</b>                     | 4th July, 2006 to 11th July, 2006 (both days inclusive)  |              |
| <b>d. Dividend Payment Date</b>                              | On or after 12th July, 2006  |              |
| <b>e. Listing of Equity Shares at</b>                        | 1) <b>Bombay Stock Exchange Limited (BSE)</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001<br>2) <b>National Stock Exchange of India Limited (NSE)</b><br>"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051   |              |
| <b>f. Annual Listing Fees</b>                                | Duly paid to all the above Stock Exchanges for the financial year 2006-2007  |              |
| <b>g. Stock Code :</b>                                       |  |              |
| <b>(i) Trading Symbol at</b>                                 | Bombay Stock Exchange Limited  | 523445       |
|  | National Stock Exchange of India Limited   | RIIL         |
| <b>(ii) Demat ISIN Numbers in NSDL and CDSL</b>              | Equity Shares  | INE046A01015 |



## Report on Corporate Governance (continued)

### h. Share Price Data of the Company (RIIL) :

| Month            | Bombay Stock Exchange (BSE) |           | National Stock Exchange (NSE) |           |
|------------------|-----------------------------|-----------|-------------------------------|-----------|
|                  | High (Rs.)                  | Low (Rs.) | High (Rs.)                    | Low (Rs.) |
| April - 2005     | 156.90                      | 91.20     | 156.00                        | 91.10     |
| May - 2005       | 144.25                      | 128.00    | 143.80                        | 128.70    |
| June - 2005      | 183.20                      | 133.50    | 184.15                        | 133.50    |
| July - 2005      | 185.40                      | 165.50    | 185.05                        | 165.40    |
| August - 2005    | 191.20                      | 160.00    | 191.15                        | 160.10    |
| September - 2005 | 386.30                      | 190.00    | 382.10                        | 190.80    |
| October - 2005   | 324.00                      | 212.35    | 324.40                        | 211.10    |
| November - 2005  | 301.00                      | 226.25    | 299.40                        | 226.10    |
| December - 2005  | 316.00                      | 274.00    | 315.90                        | 277.15    |
| January - 2006   | 523.55                      | 276.30    | 523.15                        | 276.05    |
| February - 2006  | 490.00                      | 415.00    | 492.80                        | 414.50    |
| March - 2006     | 452.50                      | 365.30    | 452.95                        | 365.00    |

Source : BSE and NSE websites.

### i. Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty

1. RIIL's share price performance in comparison to BSE Sensex based on share price on 31st March, 2006

| Period                 | % Change in        |        |                              |
|------------------------|--------------------|--------|------------------------------|
|                        | RIIL's share price | Sensex | RIIL in comparison to Sensex |
| Financial Year 2005-06 | 328.88             | 73.73  | 146.87                       |
| 2 years                | 591.97             | 101.77 | 242.95                       |
| 3 years                | 1020.00            | 269.99 | 202.71                       |
| 5 years                | 1026.44            | 212.95 | 259.94                       |

2. RIIL's share price performance in comparison to NSE Nifty based on share price on 31st March, 2006

| Period                 | % Change in        |        |                             |
|------------------------|--------------------|--------|-----------------------------|
|                        | RIIL's share price | Nifty  | RIIL in comparison to Nifty |
| Financial Year 2005-06 | 326.70             | 67.15  | 155.28                      |
| 2 years                | 596.00             | 92.03  | 262.45                      |
| 3 years                | 1018.57            | 247.84 | 221.58                      |
| 5 years                | 1018.57            | 196.34 | 277.47                      |

### j. Share Transfer Agent :

#### Karvy Computershare Private Limited

Karvy House, 46, Avenue 4, Street No. 1

Banjara Hills, Hyderabad - 500 034

Website : <http://www.karvy.com>

E-Mail : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)

Tel. : +91-40-2332 0666 / 2332 0711 /  
2332 3037

### k. Share Transfer System :

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Whole-time Director and/or Company Secretary. A summary of transfer / transmission of securities of the Company so approved by the Whole-time Director / Company Secretary, is placed at every Shareholders' / Investors' Grievance Committee Meeting. The Company obtains from a company secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.



## Report on Corporate Governance (continued)

### I. Distribution of Shareholding as on 31st March, 2006 :

| Category of Shareholders                    | % of total Shares held |
|---|------------------------|
| Promoters                                   | 46.23                  |
| Banks/ Financial Institutions/ Mutual Funds | 0.04                   |
| Foreign Investors                           | 2.24                   |
| Indian Public :                             |                        |
| a. Private Corporate Bodies                 | 21.22                  |
| b. Others                                   | 29.67                  |
| <b>Total</b>                                | <b>100.00</b>          |

### m. Top 10 Shareholders

| Sr. No. | Name of the Shareholder(s)                            | Total Holding | % To Total Capital |
|---------|---|---------------|--------------------|
| 1       | Reliance Industries Limited                           | 6980000       | 46.23              |
| 2       | Aavaran Textiles Private Limited                      | 610000        | 4.04               |
| 3       | Saumya Finance and Leasing Company Private Limited    | 600000        | 3.97               |
| 4       | Raj Vikram Investments Private Limited                | 389993        | 2.58               |
| 5       | Kudrat Investment and Leasing (India) Private Limited | 320000        | 2.12               |
| 6       | Dalmia Cement Bharat Limited                          | 230000        | 1.52               |
| 7       | Simplicity AB A/c Simplicity Indien                   | 166952        | 1.11               |
| 8       | Reliance Capital Limited                              | 160100        | 1.06               |
| 9       | Gulabchand Chandulal Bafna                            | 117000        | 0.77               |
| 10      | ABN Amro Bank N.V. London Branch                      | 100000        | 0.66               |

### n. Shareholding Pattern by Size

| Sr. No.      | Category of Shares | Electronic     |                 |                   | Physical       |               |                   | Total          |                 |                   |
|--------------|--------------------|----------------|-----------------|-------------------|----------------|---------------|-------------------|----------------|-----------------|-------------------|
|              |                    | No. of holders | No. of shares   | % to total shares | No. of holders | No. of shares | % to total shares | No. of holders | No. of shares   | % to total shares |
| 1            | 01 - 100           | 13735          | 855430          | 5.67              | 6877           | 687135        | 4.55              | 20612          | 1542565         | 10.22             |
| 2            | 101 - 500          | 3754           | 997501          | 6.61              | 727            | 196800        | 1.30              | 4481           | 1194301         | 7.91              |
| 3            | 501 - 1000         | 593            | 484570          | 3.21              | 53             | 40500         | 0.27              | 646            | 525070          | 3.48              |
| 4            | 1001 - 5000        | 399            | 870237          | 5.76              | 28             | 45500         | 0.30              | 427            | 915737          | 6.06              |
| 5            | 5001 - 10000       | 42             | 322474          | 2.14              | 2              | 15800         | 0.10              | 44             | 338274          | 2.24              |
| 6            | 10001 - 50000      | 31             | 597619          | 3.96              | 0              | 0             | 0.00              | 31             | 597619          | 3.96              |
| 7            | 50001 - 100000     | 6              | 412389          | 2.73              | 0              | 0             | 0.00              | 6              | 412389          | 2.73              |
| 8            | 100001 & Above     | 9              | 9574045         | 63.40             | 0              | 0             | 0.00              | 9              | 9574045         | 63.40             |
| <b>Total</b> |                    | <b>18569</b>   | <b>14114265</b> | <b>93.47</b>      | <b>7687</b>    | <b>985735</b> | <b>6.53</b>       | <b>26256</b>   | <b>15100000</b> | <b>100.00</b>     |



## Report on Corporate Governance (continued)

### o Geographical Distribution of Shareholders

| Sr. No | Name of the City | Physical |       |        |       | Electronic |       |          |       | Total   |        |          |        |
|--------|------------------|----------|-------|--------|-------|------------|-------|----------|-------|---------|--------|----------|--------|
|        |                  | Holders  | % age | Shares | % age | Holders    | % age | Shares   | % age | Holders | % age  | Shares   | % age  |
| 1      | MUMBAI           | 2112     | 8.04  | 310132 | 2.05  | 4514       | 17.19 | 11322997 | 74.99 | 6626    | 25.24  | 11633129 | 77.04  |
| 2      | DELHI            | 458      | 1.74  | 71200  | 0.47  | 1492       | 5.68  | 633032   | 4.19  | 1950    | 7.43   | 704232   | 4.66   |
| 3      | AHMEDABAD        | 583      | 2.22  | 67900  | 0.45  | 1323       | 5.04  | 262388   | 1.74  | 1906    | 7.26   | 330288   | 2.19   |
| 4      | KOLKATA          | 250      | 0.95  | 29200  | 0.19  | 1160       | 4.42  | 270535   | 1.79  | 1410    | 5.37   | 299735   | 1.99   |
| 5      | BANGALORE        | 174      | 0.66  | 19401  | 0.13  | 672        | 2.56  | 97523    | 0.65  | 846     | 3.22   | 116924   | 0.77   |
| 6      | VADODARA         | 232      | 0.88  | 26800  | 0.18  | 564        | 2.15  | 77744    | 0.51  | 796     | 3.03   | 104544   | 0.69   |
| 7      | CHENNAI          | 215      | 0.82  | 23300  | 0.15  | 543        | 2.07  | 83906    | 0.56  | 758     | 2.89   | 107206   | 0.71   |
| 8      | PUNE             | 81       | 0.31  | 10300  | 0.07  | 529        | 2.01  | 209319   | 1.39  | 610     | 2.32   | 219619   | 1.45   |
| 9      | HYDERABAD        | 128      | 0.49  | 14700  | 0.10  | 365        | 1.39  | 142573   | 0.94  | 493     | 1.88   | 157273   | 1.04   |
| 10     | Others           | 3454     | 13.16 | 412802 | 2.73  | 7407       | 28.21 | 1014248  | 6.72  | 10861   | 41.37  | 1427050  | 9.45   |
|        | Total            | 7687     | 29.28 | 985735 | 6.53  | 18569      | 70.72 | 14114265 | 93.47 | 26256   | 100.00 | 15100000 | 100.00 |

### p. Corporate Benefits

#### Dividend Declared for the last 10 Years

| Financial Year | Dividend Declaration Date | Dividend Rate (%) |
|----------------|---------------------------|-------------------|
| 2004-05        | 16th September, 2005      | 32%               |
| 2003-04        | 25th September, 2004      | 32%               |
| 2002-03        | 6th September, 2003       | 32%               |
| 2001-02        | 25th June, 2002           | 32%               |
| 2000-01        | 28th June, 2001           | 32%               |
| 1999-00        | 29th March, 2000          | 31%               |
| 1998-99        | 22nd September, 1999      | 30%               |
| 1997-98        | 2nd September, 1998       | 29%               |
| 1996-97        | 17th September, 1997      | 28%               |
| 1995-96        | 10th September, 1996      | 27%               |

### q. Dematerialisation of Shares :

1,41,14,265 shares representing 93.47% of the total shares issued by the Company have been dematerialised upto 31st March, 2006. Trading in Equity Shares of the Company is permitted only in dematerialised form with effect from 21st March, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

#### Liquidity :

The higher trading activity is witnessed on NSE. Relevant data for the average daily turnover for the financial year 2005-06 is given below :

|                                | (BSE)  | (NSE)  | TOTAL  |
|--------------------------------|--------|--------|--------|
| In no. of shares (in thousand) | 163.27 | 386.23 | 549.50 |
| In value terms (Rs. in lac)    | 404    | 826    | 1230   |

### r. Address for Correspondence :

#### i. Investor Correspondence -

For transfer/ dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company.

#### For Shares held in Physical form -

Karvy Computershare Private Limited  
Unit - Reliance Industrial Infrastructure Limited  
21, Avenue 4, Street No.1, Banjara Hills,  
Hyderabad – 500 034  
Website : <http://www.karvy.com>  
E-Mail : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)

#### For Shares held in Demat form -

To the investors' Depository Participant and/or  
Karvy Computershare Private Limited

#### ii. Any query on Annual Report should be addressed to :

Company Secretary  
**Reliance Industrial Infrastructure Limited**  
5th Floor, NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road, Mumbai - 400 020.

#### For Communication -

Phone : 022-3041 1871 • Fax : 022-3041 1074

#### s. Transfer of unclaimed amount to Investor Education and Protection Fund :

During the year under review, the Company has credited a sum of Rs. 4,52,110/- to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

### 13. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Chaturvedi & Shah confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report. This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.



## Report on Corporate Governance (continued)

### 14. Adoption of Non-Mandatory Requirements of Clause 49

The Company complies with the following Non-mandatory requirements stipulated under Clause 49 :-

#### a. Remuneration Committee:

The Company has constituted the Remuneration Committee to recommend / review remuneration of the Managing Director and Wholetime Directors based on their performance and defined assessment criteria.

#### b. Communication to shareholders:

Half yearly Reports covering financial results are sent to Members at their registered addresses.

#### c. Audit Qualification:

Company is in the regime of unqualified financial statements.

#### d. Whistle Blower policy:

The Company has a whistle blower mechanism wherein the Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports received will be reviewed by the Compliance Officer and the Audit Committee of Directors from time to time. The confidentiality of

those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

### 15. Secretarial Audit Report

The Company has voluntarily appointed Dr. K.R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2006, who has submitted his report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is annexed.

### 16. Capital Integrity Audit Report

The Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges in India where the securities of the Company are listed.

### 17. Fee to Statutory Auditors

The fee paid (inclusive of service tax) to the Statutory Auditors for the year was Rs. 8.43 lacs (previous year Rs. 8.48 lacs) including Rs.0.66 lacs (previous year Rs. 0.71 lacs) as fees paid for certification in finance & tax matters.



## Secretarial Audit Report

The Board of Directors  
Reliance Industrial Infrastructure Limited  
5th floor, NKM International House,  
178, Backbay Reclamation, Babubhai Chinai Road,  
Mumbai 400 020.

I have examined the registers, records and documents of Reliance Industrial Infrastructure Limited ("the Company") for the financial year ended on March 31, 2006 according to the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Bye-laws framed under the Act;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- The Listing Agreement with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

1. Based on my examination and verification of the records produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- (d) service of documents by the Company on its Members and the Registrar of Companies.
- (e) Notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 17th annual general meeting held on 16 September 2005;
- (h) the consent of the members obtained by way of special resolutions passed through postal

ballot in terms of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

- (i) minutes of proceedings of General Meetings and of Board and other meetings;
  - (j) approvals of the members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
  - (k) constitution of the Board of Directors and appointment, retirement and re-appointment of Directors;
  - (l) remuneration paid to the Directors other than Whole-time Directors;
  - (m) appointment and remuneration of the whole-time directors;
  - (n) appointment and remuneration of Auditors;
  - (o) transfers and transmissions of the Company's shares and issue and delivery of original and duplicate certificates of shares;
  - (p) declaration and payment of dividends;
  - (q) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
  - (r) borrowings and registration, modification and satisfaction of charges;
  - (s) Investment of Company's funds including inter corporate loans and investments and loans to others;
  - (t) contracts, common seal, registered office and publication of name of the Company; and
  - (u) generally, all other applicable provisions of the Act and the Rules made under that Act;
2. I further report that:
- (a) the Company's Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
  - (b) the Company has obtained all necessary approvals under the various provisions of the Act;
  - (c) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company under the Act against the Company, its Directors and Officers;



### Secretarial Audit Report (continued)

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further report that:
  - (a) the Company has complied with the requirements under the Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;
  - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

- (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

**Dr K R Chandratre**

Practising Company Secretary  
Certificate of Practice No. 5144

Place : **Mumbai,**  
Dated: **22nd April, 2006**





## Auditors' Report

### The Members of Reliance Industrial Infrastructure Limited

1. We have audited the attached Balance Sheet of Reliance Industrial Infrastructure Limited as at 31st March, 2006, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit ;
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
  - (v) In our opinion and based on the information and explanations given to us, none of the directors is disqualified as on 31st March, 2006 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in

conformity with the accounting principles generally accepted in India :

- (a) in so far it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2006;
- (b) in so far it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- (c) in so far it relates to the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**

Partner

Mumbai,

Dated : **22nd April, 2006**

Membership No. : 103141

### Annexure to the Auditors' Report

#### Referred to in paragraph 3 of our report of even date

1. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
  - b. As explained to us, the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
  - a. As explained to us, the Inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
  - a. The Company has not granted any new loan during the year. However, the Company had granted loan in the past to a party and the maximum amount outstanding at any time during the year was Rs. 550,000 thousand. The said loan was repaid during the year.
  - b. In our opinion and according to the information and explanations given to us, the rate of interest



## Annexure to the Auditors' Report (continued)

- and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- c. The party has repaid the principal amount and has been regular in the payment of Interest and therefore the question of overdue amount does not arise.
  - d. The Company has not taken any loan during the year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
  5. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (v)(b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
  6. The Company has not accepted any deposit from the public.
  7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
  8. We have been informed by the Management that the Central Government has not prescribed maintenance of cost records for the Company under Section 209(1)(d) of the Companies Act, 1956.
  9. In respect of Statutory dues :
    - a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
    - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2006 for a period of more than six months from the date they became payable.
    - c. The disputed statutory dues aggregating to Rs. 68,640 thousand, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :
  10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
  11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company had no dues payable to a Financial Institution or Bank and has not defaulted in repayment of dues to Debenture holders.
  12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
  14. The Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
  15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions during the year.
  16. The Company has not raised any term loans during the year.
  17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
  18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in Register maintained under Section 301 of the Companies Act, 1956.
  19. According to the information and explanations given to us, during the financial year covered by our audit, the Company has not issued any debentures, hence the question of creation of security / charge in respect of debentures issued does not arise.
  20. The Company has not raised any money by way of public issue during the year.
  21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

| Name of the statute  | Nature of Dues | Forum where dispute is pending       | Amount (Rs. in Thousand) |
|----------------------|----------------|--------------------------------------|--------------------------|
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income Tax – Appeals | 61,969                   |
|                      |                | Income Tax Appellate Tribunal        | 6,671                    |

For **Chaturvedi & Shah**  
Chartered Accountants  
**Amit Chaturvedi**

Mumbai,

Dated : **22nd April, 2006**

Partner

Membership No. : 103141



## Balance Sheet as at 31st March, 2006

|  | Schedule No. | As at<br>31st March, 2006<br>Rs. | As at<br>31st March, 2005<br>Rs. | (Rs. in Thousand)<br>As at<br>31st March, 2005<br>Rs. |
|--|--------------|----------------------------------|----------------------------------|---|
| <b>Sources of Funds</b>                            |              |                                  |                                  |   |
| <b>Shareholders' Funds :</b>                       |              |                                  |                                  |   |
| Share Capital                                      | 1            | 151,000                          | 151,000                          |   |
| Reserves and Surplus                               | 2            | <u>1,103,591</u>                 | <u>996,454</u>                   | 1,147,454   |
|  |              | <b>1,254,591</b>                 |                                  |   |
| <b>Loan Funds :</b>                                |              |                                  |                                  |   |
| Secured Loans                                      | 3            | 550,000                          | 550,000                          |   |
| Unsecured Loans                                    | 4            | <u>590,000</u>                   | <u>590,000</u>                   | 1,140,000   |
|  |              | <b>1,140,000</b>                 |                                  |   |
| <b>Deferred Tax</b>                                |              | <b>149,502</b>                   |                                  | 195,962   |
| <b>Total</b>                                       |              | <b><u>2,544,093</u></b>          | <b><u>2,483,416</u></b>          |   |
| <b>Application of Funds</b>                        |              |                                  |                                  |   |
| <b>Fixed Assets :</b>                              |              |                                  |                                  |   |
| Gross Block  | 5            | 3,973,184                        | 3,971,900                        |   |
| Less : Depreciation                                |              | 3,545,289                        | 3,384,765                        |   |
| Lease Adjustment                                   |              | <u>(145,342)</u>                 | <u>(132,904)</u>                 |   |
| Net Block  |              | 573,237                          | 720,039                          |   |
| Capital Work-in-Progress                           |              | -                                | 150                              |   |
|  |              | <b>573,237</b>                   |                                  | 720,189   |
| <b>Investments</b>                                 | 6            | <b>125,256</b>                   |                                  | 881,255   |
| <b>Current Assets, Loans and Advances :</b>        |              |                                  |                                  |   |
| <b>Current Assets</b>                              |              |                                  |                                  |   |
| Interest / Premium Accrued on Investments          |              | 248                              | 311,616                          |   |
| Inventories  | 7            | 46,902                           | 30,714                           |   |
| Sundry Debtors                                     | 8            | 60,755                           | 83,027                           |   |
| Cash and Bank Balances                             | 9            | <u>14,472</u>                    | <u>10,763</u>                    |   |
|  |              | 122,377                          | 436,120                          |   |
| <b>Loans and Advances</b>                          | 10           | <b>1,950,596</b>                 | <b>642,268</b>                   |   |
|  |              | <u>2,072,973</u>                 | <u>1,078,388</u>                 |   |
| Less : <b>Current Liabilities and Provisions :</b> | 11           |                                  |                                  |   |
| Current Liabilities                                |              | 142,688                          | 115,787                          |   |
| Provisions   |              | <u>84,685</u>                    | <u>80,629</u>                    |   |
|  |              | 227,373                          | 196,416                          |   |
| <b>Net Current Assets</b>                          |              | <b>1,845,600</b>                 |                                  | 881,972   |
| <b>Total</b>                                       |              | <b><u>2,544,093</u></b>          | <b><u>2,483,416</u></b>          |   |
| <b>Significant Accounting Policies</b>             | 16           |                                  |                                  |   |
| <b>Notes on Accounts</b>                           | 17           |                                  |                                  |   |

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner

**Mumbai,**  
Dated : 22nd April, 2006

For and on behalf of the Board

**Mahesh K. Kamdar**

Chairman

**Satyapal Jain**  
**Sandeep H. Junnarkar**  
**S.C. Malhotra**  
**Bharat C. Gosalia** }

Directors

**Dilip V. Dherai**

Executive Director - Projects

**N. Shanker**

Company Secretary



## Profit and Loss Account for the year ended 31st March, 2006

|  | Schedule<br>No. | 2005-2006           |                       | (Rs. in Thousand)<br>2004-2005 |                |
|--|-----------------|---------------------|-----------------------|--------------------------------|----------------|
|  |                 | Rs.                 | Rs.                   | Rs.                            | Rs.            |
| <b>Income</b>  |                 |                     |                       |                                |                |
| Income from Operations   | 12              | 644,691             |                       | 530,119                        |                |
| Other Income   | 13              | <u>108,811</u>      |                       | <u>156,584</u>                 |                |
|  |                 |                     | <b>753,502</b>        |                                | 686,703        |
| <b>Expenditure</b>   |                 |                     |                       |                                |                |
| Establishment and Other Expenses   | 14              |                     | <b>301,190</b>        |                                | 293,784        |
| Interest   | 15              |                     | <b>70,161</b>         |                                | 50,282         |
| Depreciation   |                 | <b>160,693</b>      |                       | 195,855                        |                |
| Less : Transferred from General Reserve<br>(Refer Note 3 of Schedule 17)                               |                 | <b>17,196</b>       |                       | 21,674                         |                |
|  |                 |                     | <u><b>143,497</b></u> |                                | <u>174,181</u> |
| <b>Profit before Tax</b>   |                 |                     | <b>238,654</b>        |                                | 168,456        |
| Provision for Taxation :   |                 |                     |                       |                                |                |
| - Current tax  |                 | <b>99,765</b>       |                       | 60,710                         |                |
| - Deferred tax   |                 | <b>(46,460)</b>     |                       | (66,982)                       |                |
| - Fringe Benefit tax   |                 | <u><b>751</b></u>   |                       | <u>-</u>                       |                |
|  |                 |                     | <u><b>54,056</b></u>  |                                | <u>(6,272)</u> |
| <b>Profit after Tax</b>  |                 |                     | <b>184,598</b>        |                                | 174,728        |
| Balance brought forward from last year   |                 |                     | <u><b>241,581</b></u> |                                | <u>172,119</u> |
| <b>Amount Available For Appropriations</b>   |                 |                     | <b>426,179</b>        |                                | 346,847        |
| <b>Appropriations</b>  |                 |                     |                       |                                |                |
| Debenture Redemption Reserve   |                 | <b>15,259</b>       |                       | 167                            |                |
| General Reserve  |                 | <b>180,000</b>      |                       | 50,000                         |                |
| Proposed Dividend on Equity Shares   |                 | <b>52,850</b>       |                       | 48,320                         |                |
| Tax on Dividend  |                 | <u><b>7,415</b></u> |                       | <u>6,779</u>                   |                |
|  |                 |                     | <b>255,524</b>        |                                | 105,266        |
| <b>Balance carried to Balance Sheet</b>  |                 |                     | <u><b>170,655</b></u> |                                | <u>241,581</u> |
| <b>Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)</b><br>(Refer Note 9 of Schedule 17) |                 |                     | <b>12.22</b>          |                                | 11.57          |
| <b>Significant Accounting Policies</b>   | 16              |                     |                       |                                |                |
| <b>Notes on Accounts</b>   | 17              |                     |                       |                                |                |

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner

**Mumbai,**  
Dated : 22nd April, 2006

For and on behalf of the Board

**Mahesh K. Kamdar**

Chairman

**Satyapal Jain**  
**Sandeep H. Junnarkar**  
**S.C. Malhotra**  
**Bharat C. Gosalia** }

Directors

**Dilip V. Dherai**

Executive Director - Projects

**N. Shanker**

Company Secretary



## Schedules forming part of the Balance Sheet

|  | As at            |                         | (Rs. in Thousand) |                       |
|--|------------------|-------------------------|-------------------|-----------------------|
|  | 31st March, 2006 |                         | As at             |                       |
|  | Rs.              | Rs.                     | 31st March, 2005  | Rs.                   |
| <b>Schedule 1 : Share Capital</b>  |                  |                         |                   |                       |
| <b>Authorised :</b>  |                  |                         |                   |                       |
| 200,000,000 Equity Shares of Rs.10/- each<br>(200,000,000)   |                  | <u>2,000,000</u>        |                   | <u>2,000,000</u>      |
| <b>Issued, Subscribed and Paid up :</b>  |                  |                         |                   |                       |
| 15,100,000 Equity Shares of Rs.10/- each fully paid up<br>(15,100,000)   |                  | <u>151,000</u>          |                   | <u>151,000</u>        |
| <b>Schedule 2 : Reserves and Surplus</b>   |                  |                         |                   |                       |
| <b>Capital Reserve</b>   |                  |                         |                   |                       |
| As per last Balance Sheet  |                  | 295,296                 |                   | 295,296               |
| <b>Share Premium Account</b>   |                  |                         |                   |                       |
| As per last Balance Sheet  |                  | 96,000                  |                   | 96,000                |
| <b>Revaluation Reserve</b>   |                  |                         |                   |                       |
| As per last Balance Sheet  |                  | 210,057                 |                   | 210,057               |
| <b>Debenture Redemption Reserve</b>  |                  |                         |                   |                       |
| As per last Balance Sheet  |                  | 167                     |                   | -                     |
| Add : Transferred from Profit and Loss Account   |                  | <u>15,259</u>           |                   | <u>167</u>            |
|  |                  | 15,426                  |                   | 167                   |
| <b>General Reserve</b>   |                  |                         |                   |                       |
| As per last Balance Sheet  |                  | 153,353                 |                   | 125,027               |
| Add : Transferred from Profit and Loss Account   |                  | <u>180,000</u>          |                   | <u>50,000</u>         |
|  |                  | 333,353                 |                   | 175,027               |
| Less : Transferred to Profit and Loss Account<br>(Refer Note 3 of Schedule 17)   |                  | <u>17,196</u> †         |                   | <u>21,674</u>         |
|  |                  | 316,157                 |                   | 153,353               |
| <b>Profit and Loss Account</b>   |                  |                         |                   |                       |
|  |                  | <u>170,655</u>          |                   | <u>241,581</u>        |
| <b>Total</b>   |                  | <u><u>1,103,591</u></u> |                   | <u><u>996,454</u></u> |
| † Cumulative amount (net) transferred on account of Depreciation on revaluation is Rs. 144,015 thousand (Previous Year Rs. 126,819 thousand).  |                  |                         |                   |                       |
| <b>Schedule 3 : Secured Loans</b>  |                  |                         |                   |                       |
| Redeemable Non Convertible Debentures  |                  | <u>550,000</u>          |                   | <u>550,000</u>        |
| <b>Total</b>   |                  | <u><u>550,000</u></u>   |                   | <u><u>550,000</u></u> |
| <b>Note :</b> The Debentures are secured by way of first mortgage / charge in favour of the Trustees on certain immovable properties situated in the state of Maharashtra. The Debentures are redeemable at par on 27th March, 2015. |                  |                         |                   |                       |
| <b>Schedule 4 : Unsecured Loans</b>  |                  |                         |                   |                       |
| Other Loans and Advances   |                  |                         |                   |                       |
| - From Other than Banks  |                  | <u>590,000</u>          |                   | <u>590,000</u>        |
| <b>Total</b>   |                  | <u><u>590,000</u></u>   |                   | <u><u>590,000</u></u> |



## Schedules forming part of the Balance Sheet

### Schedule 5 : Fixed Assets

(Rs. in Thousand)

| Description                                | Gross Block      |              |            |                  | Depreciation   |                  | Lease          | Net Block      |                |
|--|------------------|--------------|------------|------------------|----------------|------------------|----------------|----------------|----------------|
|  | As at            | Additions /  | Deductions | As at            | For the        | Upto             | Adjustment     | As at          | As at          |
|  | 01.04.2005       | Adjustments  |            | 31.03.2006       | year           | 31.03.2006       | Upto           | 31.03.2006     | 31.03.2005     |
|  | Rs.              | Rs.          | Rs.        | Rs.              | Rs.            | Rs.              | Rs.            | Rs.            | Rs.            |
| Freehold Land                              | 4,262            | -            | -          | 4,262            | -              | -                | -              | 4,262          | 4,262          |
| Leasehold Land                             | 3,473            | -            | -          | 3,473            | 207            | 1,723            | -              | 1,750          | 1,955          |
| Buildings                                  | 23,227           | -            | -          | 23,227           | 758            | 9,829            | -              | 13,398         | 14,157         |
| Plant and Machinery                        | 1,643,770        | 904          | -          | 1,644,674        | 42,237         | 1,450,385        | -              | 194,289        | 235,620        |
| Construction Machinery                     | 1,399,490        | -            | -          | 1,399,490        | 31,018         | 1,236,466 †      | -              | 163,024        | 194,042        |
| Furniture and Fixtures                     | 5,175            | -            | 263        | 4,912            | 264            | 3,351            | -              | 1,561          | 1,983          |
| Office Equipment                           | 6,501            | 479          | 209        | 6,771            | 447            | 3,966            | -              | 2,805          | 2,920          |
| Vehicles                                   | 8,257            | 373          | -          | 8,630            | 784            | 2,451            | -              | 6,179          | 6,590          |
| <b>Sub-Total</b>                           | <b>3,094,155</b> | <b>1,756</b> | <b>472</b> | <b>3,095,439</b> | <b>75,715</b>  | <b>2,708,171</b> | <b>-</b>       | <b>387,268</b> | <b>461,529</b> |
| <b>Assets leased prior to 01.04.2001 :</b> |                  |              |            |                  |                |                  |                |                |                |
| Construction Equipment                     | 182,560          | -            | -          | 182,560          | 5,578          | 165,827          | (16,733)       | -              | -              |
| LPG Cylinders                              | 695,185          | -            | -          | 695,185          | 79,400         | 671,291          | 162,075        | 185,969        | 258,510        |
| <b>Sub-Total</b>                           | <b>877,745</b>   | <b>-</b>     | <b>-</b>   | <b>877,745</b>   | <b>84,978</b>  | <b>837,118</b>   | <b>145,342</b> | <b>185,969</b> | <b>258,510</b> |
| <b>Total</b>                               | <b>3,971,900</b> | <b>1,756</b> | <b>472</b> | <b>3,973,184</b> | <b>160,693</b> | <b>3,545,289</b> | <b>145,342</b> | <b>573,237</b> | <b>720,039</b> |
| Previous Year                              | 3,971,300        | 2,262        | 1,662      | 3,971,900        | 195,855        | 3,384,765        | 132,904        | 720,039        |                |
| Capital Work-in-Progress                   |                  |              |            |                  |                |                  |                | -              | 150            |

**Notes :** (i) Leasehold Land includes Rs.2,344 thousand (Previous Year Rs.2,344 thousand) in respect of which lease deed is pending execution.

(ii) Leasehold Land includes one fully paid Equity Share of Rs. 1 thousand in a Company.

(iii) Capital Work-in-Progress includes project development expenditure Rs. Nil (Previous Year Rs. 150 thousand).

(iv) Gross Block includes Rs. 530,088 thousand being the amount added on revaluation of Plant and Machinery as at 01.04.1997. (Refer Note 3 of Schedule 17)

† includes provision for loss on impairment, Rs. 39,292 thousand.

**(Rs. in Thousand)**  
As at  
**31st March, 2006**  
Rs.

As at  
31st March, 2005  
Rs.

### Schedule 6 : Investments

#### LONG TERM INVESTMENTS

#### Other Investments :

#### In Equity Shares -

#### Quoted, fully paid up :

|                    |  |              |        |
|--------------------|--|--------------|--------|
| 86,000<br>(86,000) | Equity Shares of Reliance Industries Limited<br>of Rs.10/- each            | <b>5,834</b> | 11,219 |
| 86,000<br>(-)      | Equity Shares of Reliance Capital Ventures Limited<br>of Rs.10/- each      | <b>146</b>   | -      |
| 86,000<br>(-)      | Equity Shares of Reliance Communication Ventures Limited<br>of Rs.5/- each | <b>4,342</b> | -      |
| 86,000<br>(-)      | Equity Shares of Reliance Energy Ventures Limited<br>of Rs.10/- each       | <b>819</b>   | -      |
| 86,000<br>(-)      | Equity Shares of Reliance Natural Resources Limited<br>of Rs.5/- each      | <b>78</b>    | -      |



## Schedules forming part of the Balance Sheet

|   |  | As at<br>31st March, 2006<br>Rs. | (Rs. in Thousand)<br>As at<br>31st March, 2005<br>Rs. |
|---|--|----------------------------------|---|
| <b>Schedule 6 : Investments (continued)</b> |  |                                  |   |
| <b>Unquoted, fully paid up :</b>            |  |                                  |   |
| 1,108,500<br>(554,250)                      | Equity Shares of Reliance Europe Limited<br>of Sterling Pound 1/- each<br>(Company under the same management)                        | <b>39,338</b>                    | 19,669  |
| 8,100<br>(8,100)                            | Equity Shares of Ral Investment Private Limited<br>of Rs.10/- each   | <b>81</b>                        | 81  |
| 8,100<br>(8,100)                            | Equity Shares of LPG Infrastructure (India) Private Limited<br>of Rs.10/- each   | <b>81</b>                        | 81  |
| 18,000<br>(18,000)                          | Equity Shares of Rosche Trading Private Limited<br>of Rs.10/- each   | <b>180</b>                       | 180   |
| <b>In Debentures -</b>                      |  |                                  |   |
| <b>Unquoted, fully paid up :</b>            |  |                                  |   |
| 140,000<br>(140,000)                        | Zero Coupon Unsecured Optionally Fully Convertible<br>Debentures of Ral Investment Private Limited<br>of Rs. 100/- each              | <b>14,000</b>                    | 14,000  |
| 30,000<br>(30,000)                          | Zero Coupon Unsecured Optionally Fully Convertible<br>Debentures of LPG Infrastructure (India) Private Limited<br>of Rs. 100/- each  | <b>3,000</b>                     | 3,000   |
| -<br>(49,670)                               | Unsecured Redeemable Non - Convertible<br>Debentures of Reliance Utilities and Power Limited<br>(maturity value of Rs.19,165/- each) | -                                | 611,032   |
| -<br>(75,700)                               | Unsecured Redeemable Non - Convertible<br>Debentures of Reliance Utilities and Power Limited<br>(maturity value of Rs.1,965/- each)  | -                                | 136,984   |
| <b>In Others -</b>                          |  |                                  |   |
| <b>Quoted :</b>                             |  |                                  |   |
| 110,100<br>(110,100)                        | Units of 6.75% Tax Free US64<br>Bonds of Unit Trust of India of Rs. 100/- each<br>(Deposited with Mumbai Port Trust)                 | <b>11,010</b>                    | 11,010  |
| <b>CURRENT INVESTMENTS</b>                  |  |                                  |   |
| <b>In Others -</b>                          |  |                                  |   |
| <b>Unquoted :</b>                           |  |                                  |   |
| -<br>(7,161,271.835)                        | Units of Reliance Liquid Fund (Treasury Plan)<br>of Rs. 10/- each  | -                                | 73,999  |
| 1,558,141.278<br>(-)                        | Units of ABN AMRO Cash Fund-<br>Institutional Plus - Growth of Rs. 10/- each   | <b>16,024</b>                    | -   |
| 306,038.938<br>(-)                          | Units of ABN AMRO Flexi Debt Fund -<br>Regular Weekly Dividend of Rs. 10/- each  | <b>3,060</b>                     | -   |
| 2,725,870.263<br>(-)                        | Units of Standard Chartered Liquidity Manager-<br>Weekly Dividend of Rs. 10/- each   | <b>27,263</b>                    | -   |
|   | <b>Total</b>   | <b>125,256</b>                   | <b>881,255</b>  |





## Schedules forming part of the Balance Sheet

|   | As at             |                     | (Rs. in Thousand) |                     |
|---|-------------------|---------------------|-------------------|---------------------|
|   | 31st March, 2006  | 31st March, 2005    | As at             | As at               |
|   | Rs.               | Rs.                 | Rs.               | Rs.                 |
| <b>Schedule 6 : Investments (continued)</b> |                   |                     |                   |                     |
| <b>Aggregate Value of :</b>                 | <b>Book Value</b> | <b>Market Value</b> | <b>Book Value</b> | <b>Market Value</b> |
| Quoted Investments                          | 22,229            | 114,972             | 22,229            | 58,476              |
| Unquoted Investments                        | 103,027           |                     | 859,026           |                     |

| Movement during the year :<br>(Purchased and Sold)                    | Face Value | Nos.            | Cost              |
|---|------------|-----------------|-------------------|
|   | (Rs.)      |                 | (Rs. in Thousand) |
| <b>Mutual Fund Units</b>  |            |                 |                   |
| Reliance Liquid Fund Treasury Plan                                    | 10         | 73,895,349.923  | 764,348           |
| Reliance Liquidity Fund - Growth Option                               | 10         | 98,904,014.963  | 993,620           |
| Reliance Liquidity Fund - Weekly Dividend Reinvestment Option         | 10         | 100,171,437.345 | 1,001,815         |
| Deutsche Insta Cash Plus Fund - Institutional Plan - Monthly Dividend | 10         | 135,015,395.489 | 1,353,900         |
| Deutsche Insta Cash Plus Fund - Institutional Plan - Growth           | 10         | 19,247,807.720  | 207,500           |
| Deutsche Fixed Term Fund - Series 3 - Dividend Option                 | 10         | 44,000,000.000  | 440,000           |
| Deutsche Floating Rate Fund Regular Plan - Monthly Dividend           | 10         | 111,461,434.434 | 1,140,214         |
| ABN AMRO Cash Fund - Institutional Plus - Daily Dividend              | 10         | 64,896,462.486  | 652,544           |
| ABN AMRO Flexi Debt Fund - Regular - Weekly Dividend                  | 10         | 65,079,177.149  | 650,783           |
| Standard Chartered Liquidity Manager - Weekly Dividend                | 10         | 82,909,083.478  | 829,499           |

|                                 | As at            |                  | (Rs. in Thousand) |               |
|---------------------------------|------------------|------------------|-------------------|---------------|
|                                 | 31st March, 2006 | 31st March, 2005 | As at             | As at         |
|                                 | Rs.              | Rs.              | Rs.               | Rs.           |
| <b>Schedule 7 : Inventories</b> |                  |                  |                   |               |
| Stores and Spares               |                  | 46,902           |                   | 30,714        |
| <b>Total</b>                    |                  | <b>46,902</b>    |                   | <b>30,714</b> |

### Schedule 8 : Sundry Debtors

(Unsecured)

|   |              |               |              |               |
|---|--------------|---------------|--------------|---------------|
| Debts outstanding for a period exceeding six months |              |               |              |               |
| Considered good                                     | 3,233        |               | 1,999        |               |
| Considered doubtful                                 | 918          |               | 918          |               |
|   | <b>4,151</b> |               | <b>2,917</b> |               |
| Less : Provision for doubtful debts                 | <b>918</b>   |               | <b>918</b>   |               |
|   |              | <b>3,233</b>  |              | <b>1,999</b>  |
| Others, considered good                             |              | 57,522        |              | 81,028        |
| <b>Total</b>  |              | <b>60,755</b> |              | <b>83,027</b> |

### Schedule 9 : Cash and Bank Balances

Balances with Scheduled Banks :

|                     |               |               |
|---------------------|---------------|---------------|
| In Current Accounts | 13,922        | 10,213        |
| In Deposit Accounts | 550           | 550           |
| <b>Total</b>        | <b>14,472</b> | <b>10,763</b> |



## Schedules forming part of the Balance Sheet

|  | As at<br>31st March, 2006 |                  | (Rs. in Thousand)<br>As at<br>31st March, 2005 |                |
|--|---------------------------|------------------|--|----------------|
|  | Rs.                       | Rs.              | Rs.  | Rs.            |
| <b>Schedule 10 : Loans and Advances</b><br>(Unsecured and Considered Good) |                           |                  |  |                |
| Advances recoverable in cash or in kind or for value to be received        |                           | 1,885,956        |  | 615,751        |
| Advance Tax (net of provisions)  |                           | 64,640           |  | 26,517         |
| <b>Total</b>   |                           | <u>1,950,596</u> |  | <u>642,268</u> |

## Schedule 11 : Current Liabilities and Provisions

### Current Liabilities :

|   |              |                |              |                |
|---|--------------|----------------|--------------|----------------|
| Sundry Creditors other than small scale industrial undertaking(s) | 137,632      |                | 110,850      |                |
| Unpaid Dividends #  | <u>5,056</u> |                | <u>4,937</u> |                |
|   |              | <b>142,688</b> |              | <b>115,787</b> |

### Provisions :

|                                       |              |                |              |                |
|---------------------------------------|--------------|----------------|--------------|----------------|
| For Wealth Tax                        | 37           |                | 38           |                |
| For Gratuity and Other Staff Benefits | 24,383       |                | 25,492       |                |
| For Proposed Dividend                 | 52,850       |                | 48,320       |                |
| For Tax on Dividend                   | <u>7,415</u> |                | <u>6,779</u> |                |
|                                       |              | <b>84,685</b>  |              | <b>80,629</b>  |
| <b>Total</b>                          |              | <u>227,373</u> |              | <u>196,416</u> |

# These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund.

## Schedules forming part of the Profit and Loss Account

|   | 2005-2006       |                | (Rs. in Thousand)<br>2004-2005 |                |
|---|-----------------|----------------|--------------------------------|----------------|
|   | Rs.             | Rs.            | Rs.                            | Rs.            |
| <b>Schedule 12 : Income from Operations</b> |                 |                |                                |                |
| Income from Infrastructure Activity         |                 | 552,411        |                                | 416,295        |
| Lease Income                                | 79,842          |                | 82,617                         |                |
| Less : Lease Equalisation                   | <u>(12,438)</u> |                | <u>(31,207)</u>                |                |
|   |                 | <b>92,280</b>  |                                | <b>113,824</b> |
| <b>Total</b>                                |                 | <u>644,691</u> |                                | <u>530,119</u> |



## Schedules forming part of the Profit and Loss Account

|   | (Rs. in Thousand)     |                       |
|---|-----------------------|-----------------------|
|   | 2005-2006             | 2004-2005             |
|   | Rs.                   | Rs.                   |
| <b>Schedule 13 : Other Income</b>   |                       |                       |
| Income from Long Term Investments :   |                       |                       |
| Other Investments   |                       |                       |
| Dividend  | 645                   | 452                   |
| Interest  | 41,291                | 102,546               |
| (Tax deducted at source Rs. 117,427 thousand ;<br>Previous Year Rs.Nil)           |                       |                       |
| Premium on Investments in Preference Shares                                       | -                     | 29,290                |
|   | <u>41,936</u>         | 132,288               |
| Dividend from Current Investments   | 30,985                | 615                   |
| Interest on Loans and Deposits  | 30,730                | 11,947                |
| (Tax deducted at source Rs. 2,037 thousand ;<br>Previous Year Rs. 2,321 thousand) |                       |                       |
| Profit on Sale of Current Investment (Net)  | 4,907                 | -                     |
| Profit on Sale of Assets  | -                     | 11,559                |
| Miscellaneous Income  | 253                   | 175                   |
| <b>Total</b>  | <u><u>108,811</u></u> | <u><u>156,584</u></u> |
| <b>Schedule 14 : Establishment and Other Expenses</b>                             |                       |                       |
| Salaries, Wages and Bonus   | 57,216                | 76,385                |
| Contribution to Provident Fund and Other Funds                                    | 2,323                 | 5,443                 |
| Employees' Welfare Expenses and other amenities                                   | 3,444                 | 3,654                 |
|   | <u>62,983</u>         | 85,482                |
| Stores and Spares Consumed  | 36,722                | 37,032                |
| Repairs and Maintenance :   |                       |                       |
| - Plant and Machinery   | 4,258                 | 7,550                 |
| - Buildings   | 22                    | 2                     |
| - Others  | 2,480                 | 2,337                 |
|   | <u>6,760</u>          | 9,889                 |
| Operating Expenses  | 99,181                | 99,308                |
| Plant Utilities   | 6,000                 | 6,000                 |
| Electric Power  | 233                   | 180                   |
| Rent  | 30,234                | 22,003                |
| Rates and Taxes   | 4,054                 | 3,914                 |
| Insurance Charges   | 4,226                 | 8,215                 |
| Professional Fees   | 23,327                | 7,288                 |
| Auditors' Remuneration  | 843                   | 848                   |
| Lease Rent  | 21,120                | 7,084                 |
| Exchange Differences (Net)  | 12                    | 15                    |
| Miscellaneous Expenses  | 5,308                 | 6,121                 |
| Loss on Sale of Current Investments - Others                                      | -                     | 18                    |
| Provision for Diminution in Current Investments                                   | 14                    | 19                    |
| Loss on Sale of Fixed Assets (Net)  | 173                   | 368                   |
| <b>Total</b>  | <u><u>301,190</u></u> | <u><u>293,784</u></u> |
| <b>Schedule 15 : Interest</b>   |                       |                       |
| Fixed Loans   | 20,405                | 48,954                |
| Debentures  | 49,500                | 1,085                 |
| Others  | 256                   | 243                   |
| <b>Total</b>  | <u><u>70,161</u></u>  | <u><u>50,282</u></u>  |



## Schedule 16 : Significant Accounting Policies

### 1. Basis of preparation of Financial Statements :

- (i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, except for certain fixed assets, which have been revalued.
- (ii) The Company generally follows the mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. However income from Construction Contracts is accounted on Completed Contract Method.

### 2. Use of Estimates :

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

### 3. Fixed Assets :

- (i) Fixed Assets are stated at cost and includes amounts added on revaluation, as reduced by accumulated depreciation and impairment loss, if any. All costs including financing costs, upto the date of commissioning and attributable to the fixed assets are capitalised.
- (ii) Compensation paid to various land owners / occupiers for acquisition of Right of User in the lands along the pipeline route under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Lands) Act, 1962 has been included in Plant and Machinery.

### 4. Depreciation :

Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except that :

- (i) on plant and machinery comprising of transport facilities and monitoring systems (for petrochemical products and for raw water) and on construction machinery, depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) on revalued assets, depreciation has been provided on written down value method and charged over the residual life of the assets.
- (iii) the cost of leasehold land is amortised over the period of lease.
- (iv) cost of pipeline corridor structure is amortised over the residual life of the asset.

### 5. Impairment of Assets :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### 6. Revenue Recognition :

- (i) Revenue Income is recognised net of discount when no significant uncertainty as to its determination or realisation exists.
- (ii) Premium on Investments in Preference Shares is recognised as income over the maturity period of the Investment.

### 7. Foreign Currency Transactions :

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account, except in cases where they relate to acquisition of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

### 8. Investments :

Current Investments are carried at the lower of cost and quoted / fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary, in the opinion of the management.

### 9. Inventories :

Inventories are measured at lower of cost or net realisable value. Cost is determined on weighted average basis.

### 10. Lease Income :

In respect of fixed assets given on lease on or before 31.03.2001, the Company has followed guidance note on accounting for leases as recommended by the Institute of Chartered Accountants of India. Income from leased assets is accounted for in the year in which lease rentals fall due, by applying the interest rate implicit in the lease to the net investment in the lease during the period.



## Significant Accounting Policies (continued)

In respect of fixed assets given on lease on or after 01.04.2001, the Company has followed Accounting Standard (AS) 19 on Leases issued by the Institute of Chartered Accountants of India. Initial direct cost in respect of finance leases are recognised immediately as expense in the Profit and Loss Account.

### 11. Lease Rent Expenditure :

Lease rentals relate to assets acquired on or before 31.03.2001 and are hence written off in the Profit and Loss Account on shorter of contractual period of lease or the useful life of the asset except for rentals pertaining to the period upto the date of commissioning of the assets which are capitalised.

### 12. Employee Retirement Benefits :

Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account. Gratuity and Leave Encashment benefit are charged to Profit and Loss Account on the basis of actuarial valuation as at year end.

### 13. Current Tax and Deferred Tax :

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax resulting from "timing difference" between the book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

### 14. Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 15. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

## Schedule 17 : Notes on Accounts

1. Previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
2. Loans and advances includes interest free loans of **Rs. 294 thousand** (Previous Year Rs. 387 thousand) given to various employees as per Company's policy. Maximum amount outstanding during the year **Rs. 576 thousand** (Previous Year Rs.783 thousand).
3. Gross Block of Fixed Assets include **Rs.530,088 thousand** (Previous Year Rs.530,088 thousand) on account of revaluation of Fixed Assets carried out in the past. Consequent to the said revaluation there is an additional charge of depreciation of **Rs. 17,196 thousand** (Previous Year Rs. 21,674 thousand) and an equivalent amount has been withdrawn from General Reserve and credited to the Profit and Loss Account.
4. Overdraft facility from Bank is secured by assignment of receivables.
5. **Segment Information :**  
The Company is mainly engaged in Infrastructure Activity. All activities of the Company revolve around this main business. As such, there are no separate reportable segments as per Accounting Standard on Segment Reporting (AS - 17).
6. **Related Party Disclosures :**
  - (i) List of Related Parties with whom transactions have taken place and Relationships :

#### Name of the Related Party

Reliance Industries Limited

#### Nature of Relationship

Associate

Shri Bharat C. Gosalia upto 30.06.2005  
Shri Mahesh K. Kamdar upto 26.02.2006  
Shri Dilip V. Dherai

}

Key Management Personnel



## Schedule 17 : Notes on Accounts (continued)

### 6. Related Party Disclosures (continued)

#### (ii) Transactions during the year with related parties :

##### a) With Associate :

#### Reliance Industries Limited

(Rs. in Thousand)

| Sr. No. | Nature of Transaction<br>(excluding reimbursements) | 2005-2006<br>Rs. | 2004-2005<br>Rs. |
|---------|---|------------------|------------------|
| (1)     | <b>Unsecured Loans</b>                              |                  |                  |
|         | Opening Balance                                     | 350,000          | 954,750          |
|         | Taken during the year                               | -                | -                |
|         | Repaid during the year                              | -                | 604,750          |
|         | Closing Balance                                     | 350,000          | 350,000          |
| (2)     | <b>Fixed Assets</b>                                 |                  |                  |
|         | Assets sold during the year                         | -                | 314              |
| (3)     | <b>Sale of Assets</b>                               | -                | 11,559           |
| (4)     | <b>Sundry Debtors</b>                               | 49,826           | 72,140           |
| (5)     | <b>Loans and Advances</b>                           |                  |                  |
|         | Opening Balance                                     | -                | 21,501           |
|         | Given during the year                               | -                | -                |
|         | Recovered during the year                           | -                | 21,501           |
|         | Closing Balance                                     | -                | -                |
| (6)     | <b>Sundry Creditors</b>                             | 1,466            | 35               |
| (7)     | <b>Income from Infrastructure Activity</b>          | 539,400          | 367,324          |
| (8)     | <b>Lease Income</b>                                 | 3,614            | 6,192            |
| (9)     | <b>Dividend on Other Investment</b>                 | 645              | 452              |
| (10)    | <b>Establishment Expenses</b>                       |                  |                  |
|         | Plant Utilities                                     | 6,000            | 6,000            |
| (11)    | <b>Interest Expenses</b>                            | 20,405           | 18,169           |

##### b) With Key Management Personnel :

(Rs. in Thousand)

| Sr. No. | Nature of Transaction<br>(excluding reimbursements)              | 2005-2006<br>Rs. | 2004-2005<br>Rs. |
|---------|--|------------------|------------------|
| (1)     | <b>Establishment Expenses</b>                                    |                  |                  |
|         | Salaries, Wages and Bonus<br>(Refer Note 11 (ii) to Schedule 17) |                  |                  |
|         | Shri Bharat C. Gosalia   | 477              | 1,726            |
|         | Shri Dilip V. Dherai   | 1,658            | 1,766            |

7. Fixed Assets taken on lease prior to 01.04.2001 amount to **Rs. Nil** (Previous Year Rs.80,339 thousand). Future obligations towards lease rentals under the relevant lease agreement as on 31st March, 2006 amount to **Rs. Nil** (Previous Year Rs. 241 thousand).



## Schedule 17 : Notes on Accounts (continued)

### 8. Finance Lease Disclosures :

- (i) Reconciliation between total gross investments in lease and present value of minimum lease payments receivable as at balance sheet date in respect of assets given on finance lease on or after 01.04.2001:

(Rs. in Thousand)

|   | Total            |                  | Within one year  |                  | Later than one year and not later than five years |                  | Later than five years |                  |
|---|------------------|------------------|------------------|------------------|---|------------------|-----------------------|------------------|
|   | 2005-2006<br>Rs. | 2004-2005<br>Rs. | 2005-2006<br>Rs. | 2004-2005<br>Rs. | 2005-2006<br>Rs.                                  | 2004-2005<br>Rs. | 2005-2006<br>Rs.      | 2004-2005<br>Rs. |
| Future lease rental Receivables         | 19,618           | 27,569           | 7,951            | 7,951            | 11,667  | 19,618           | -                     | -                |
| Add : Unguaranteed residual value       | -                | -                | -                | -                | -   | -                | -                     | -                |
| Gross investment in lease               | 19,618           | 27,569           | 7,951            | 7,951            | 11,667  | 19,618           | -                     | -                |
| Less : Unearned finance income          | 706              | 1,370            | 141              | 141              | 565   | 1,229            | -                     | -                |
| Present value of minimum lease payments | 18,912           | 26,199           | 7,810            | 7,810            | 11,102  | 18,389           | -                     | -                |

- (ii) A general description of significant leasing arrangements :
- Assets are given on lease for periods ranging from three to six years.
  - Lease Rentals are charged on the basis of agreed rate of interest.

### 9. Earnings per Share :

|  | 2005-2006   | 2004-2005   |
|--|-------------|-------------|
| (i) Net Profit after tax available for equity shareholders<br>(Rs. in thousand)  | 184,597     | 174,728     |
| (ii) Weighted average of number of equity shares                                 | 1,51,00,000 | 1,51,00,000 |
| (iii) Basic and Diluted Earnings per share (Rs)<br>(Face value of Rs. 10/- each) | 12.22       | 11.57       |

### 10. Deferred Tax :

The breakup of deferred tax liability as at 31st March, 2006 is as under :

|   | 2005-2006 |         | 2004-2005 |         |
|---|-----------|---------|-----------|---------|
|   | Rs.       | Rs.     | Rs.       | Rs.     |
| Timing Differences on account of :          |           |         |           |         |
| (i) <b>Deferred Tax Liability</b>           |           |         |           |         |
| Related to Fixed Assets                     | 169,409   |         | 213,422   |         |
| Unamortised Expenses                        | -         |         | 7,109     |         |
| Project Development Expenses                | -         |         | 64        |         |
|   |           | 169,409 |           | 220,595 |
| (ii) <b>Deferred Tax Asset</b>              |           |         |           |         |
| Finance Lease                               | 13,450    |         | 15,185    |         |
| Loss / Diminution on Investments            | 11        |         | 3,102     |         |
| Provision for Doubtful Debts                | 309       |         | 309       |         |
| Expenditure U/s 43B of Income Tax Act, 1961 | 6,137     |         | 6,037     |         |
|   |           | 19,907  |           | 24,633  |
| (iii) <b>Deferred Tax (Net)</b>             |           | 149,502 |           | 195,962 |





## Schedule 17 : Notes on Accounts (continued)

### 11. Managerial Remuneration :

- (i) The Company has been advised that the computation of net profits for the purpose of managerial remuneration under Section 349 of the Companies Act, 1956 need not be enumerated, since no commission by way of percentage of profit is payable for the year to any of the Directors of the Company.
- (ii) Establishment and Other expenses includes Managerial Remuneration by way of :-

|                                | <b>2005-2006</b>    | <b>(Rs. in Thousand)</b> |
|--------------------------------|---------------------|--------------------------|
|                                | <b>Rs.</b>          | <b>2004-2005</b>         |
|                                |                     | <b>Rs.</b>               |
| Salary and Allowances          | <b>1,948</b>        | 3,195                    |
| Contribution to Provident Fund | <b>123</b>          | 164                      |
| Perquisites                    | <b>64</b>           | 133                      |
| <b>Total</b>                   | <b><u>2,135</u></b> | <b><u>3,492</u></b>      |

The above remuneration excludes provision for gratuity and leave encashment since these are based on actuarial valuation done on an overall company basis.

### 12. Project Development Expenditure :

|                 | <b>As at</b>            | <b>(Rs. in Thousand)</b> |
|-----------------|-------------------------|--------------------------|
|                 | <b>31st March, 2006</b> | <b>As at</b>             |
|                 | <b>Rs.</b>              | <b>31st March, 2005</b>  |
|                 |                         | <b>Rs.</b>               |
| Rates and Taxes | -                       | 150                      |
| <b>Total</b>    | <b><u>-</u></b>         | <b><u>150</u></b>        |

### 13. Auditors' Remuneration :

|                          | <b>2005-2006</b>  | <b>(Rs. in Thousand)</b> |
|--------------------------|-------------------|--------------------------|
|                          | <b>Rs.</b>        | <b>2004-2005</b>         |
|                          |                   | <b>Rs.</b>               |
| (i) Statutory Audit Fees | <b>595</b>        | 595                      |
| (ii) Tax Audit Fees      | <b>182</b>        | 182                      |
| (iii) For Certification  | <b>66</b>         | 71                       |
| <b>Total</b>             | <b><u>843</u></b> | <b><u>848</u></b>        |



## Schedule 17 : Notes on Accounts (continued)

### 14. Value of Imports on CIF basis in respect of :

Stores and Spares imported by the Company during the financial year is **Rs. 3,829 thousand** (Previous Year Rs. 1,143 thousand)

### 15. Expenditure in Foreign Currency on account of :

|                               | 2005-2006 | (Rs. in Thousand) |
|-------------------------------|-----------|-------------------|
|                               | Rs.       | 2004-2005         |
|                               |           | Rs.               |
| i) Stores and Spares Consumed | 565       | 1,195             |
| ii) Travelling Expenses       | 23        | 118               |
| iii) Other Matters            | 361       | 91                |

### 16. Additional Information :

|   | As at            | (Rs. in Thousand) |
|---|------------------|-------------------|
|   | 31st March, 2006 | As at             |
|   | Rs.              | 31st March, 2005  |
|   |                  | Rs.               |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)  | 175              | 123               |
| (ii) Contingent Liability in respect of claims against the Company not acknowledged as debts estimated at   | 1,200            | 1,200             |
| (iii) Income tax assessments of the Company has been completed upto Assessment Year 2003-2004. The total demand raised by the Income Tax department upto the said assessment year is <b>Rs. 70,647 thousand</b> (Previous Year Rs. 13,793 thousand). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made. |                  |                   |

### 17. Value of Stores and Spares Consumed :

|              | 2005-2006            |                           | 2004-2005            |                           |
|--------------|----------------------|---------------------------|----------------------|---------------------------|
|              | (Rs. in<br>Thousand) | % of total<br>Consumption | (Rs. in<br>Thousand) | % of total<br>Consumption |
| Imported     | 565                  | 1.54                      | 1,195                | 3.23                      |
| Indigenous   | 36,157               | 98.46                     | 35,837               | 96.77                     |
| <b>Total</b> | <u>36,722</u>        | <u>100.00</u>             | <u>37,032</u>        | <u>100.00</u>             |



## Schedule 17 : Notes on Accounts (continued)

### 18. Balance Sheet Abstract and Company's General Business Profile :

#### I. Registration Details

Registration Number   -      State Code

Balance Sheet Date   -   -

#### II. Capital raised during the year (Rs. in Thousand)

Public Issue        Rights Issue

Bonus Issue        Private Placements

#### III. Position of Mobilisation and Deployment of Funds (Rs. in Thousand)

Total Liabilities         Total Assets

##### SOURCES OF FUNDS :

Paid up Capital         Reserves and Surplus

Secured Loans         Unsecured Loans

Deferred Tax

##### APPLICATION OF FUNDS :

Net Fixed Assets         Investments

Net Current Assets

#### IV. Performance of Company (Rs. in Thousand except, per share data)

Gross Turnover         Total Expenditure

Profit Before Tax         Profit After Tax

Earnings per share in Rs.     .   Dividend Rate %

#### V. Generic Names of Principal Products / Service of the Company (As per monetary terms)

Item Code No. (ITC Code)

Product Description

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner

**Mumbai,**  
Dated : **22nd April, 2006**

For and on behalf of the Board

**Mahesh K. Kamdar**

Chairman

**Satyapal Jain**  
**Sandeep H. Junnarkar**  
**S.C. Malhotra**  
**Bharat C. Gosalia** }

Directors

**Dilip V. Dherai**

Executive Director - Projects

**N. Shanker**

Company Secretary



## Cash Flow Statement for the year ended 31st March, 2006

|   | 2005-2006 |                  | (Rs. in Thousand) |                  |
|---|-----------|------------------|-------------------|------------------|
|   | Rs.       | Rs.              | Rs.               | Rs.              |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                       |           |                  |                   |                  |
| <b>Net Profit as per Profit and Loss Account</b>                      |           | <b>184,598</b>   |                   | <b>174,728</b>   |
| Adjusted for :  |           |                  |                   |                  |
| Tax Provision   | 100,516   |                  | 60,710            |                  |
| Deferred Tax Provision  | (46,460)  |                  | (66,982)          |                  |
| (Profit) / Loss on Sale of Assets                                     | -         |                  | (11,559)          |                  |
| (Profit) / Loss on Sale of Fixed Assets (Net)                         | 173       |                  | 368               |                  |
| (Profit) / Loss on Sale of Current Investments - Others               | (4,907)   |                  | 18                |                  |
| Provision for Diminution in Current Investment                        | 14        |                  | 19                |                  |
| Depreciation  | 160,693   |                  | 195,855           |                  |
| Lease Equalisation  | (12,438)  |                  | (31,207)          |                  |
| Transferred from General Reserve                                      | (17,196)  |                  | (21,674)          |                  |
| Dividend Income   | (31,630)  |                  | (1,067)           |                  |
| Interest / Other Income   | (72,274)  |                  | (143,958)         |                  |
| Lease Rent written off  | 21,120    |                  | 7,084             |                  |
| Capital Work in progress written off                                  | 150       |                  | -                 |                  |
| Preliminary Expenses written off                                      | -         |                  | 672               |                  |
| Interest Expenses   | 70,161    |                  | 50,282            |                  |
|   |           | <b>167,922</b>   |                   | <b>38,561</b>    |
| <b>Operating profit before working capital changes</b>                |           | <b>352,520</b>   |                   | <b>213,289</b>   |
| Adjusted for :  |           |                  |                   |                  |
| Trade and Other Receivables   | 33,853    |                  | 18,775            |                  |
| Inventories   | (16,188)  |                  | (3,937)           |                  |
| Trade and Other Payables  | 22,717    |                  | 13,605            |                  |
|   |           | <b>40,382</b>    |                   | <b>28,443</b>    |
| <b>Cash generated from operations</b>                                 |           | <b>392,902</b>   |                   | <b>241,732</b>   |
| Taxes paid  |           | (138,640)        |                   | (62,337)         |
| <b>Net Cash from Operating Activities</b>                             |           | <b>254,262</b>   |                   | <b>179,395</b>   |
| <b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>                      |           |                  |                   |                  |
| Purchase of Fixed Assets  |           | (1,706)          |                   | (2,415)          |
| Sale of Fixed Assets  |           | 130              |                   | 585              |
| Purchase of Investments   |           | (8,026,253)      |                   | (99,596)         |
| Sale of Investments   |           | 8,787,146        |                   | 561,982          |
| (Increase) / Decrease in Loans  |           | (1,299,921)      |                   | (529,537)        |
| Dividend Income   |           | 31,630           |                   | 1,066            |
| Interest / Other Income   |           | 383,642          |                   | 48,716           |
| <b>Net Cash used in Investing Activities</b>                          |           | <b>(125,332)</b> |                   | <b>(19,199)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>                       |           |                  |                   |                  |
| Repayment of Long Term Borrowings                                     |           | -                |                   | (1,154,750)      |
| Proceeds from Long Term Borrowings                                    |           | -                |                   | 1,100,000        |
| Repayment of Finance Lease Liabilities                                |           | (80)             |                   | (80)             |
| Dividend Paid   |           | (54,980)         |                   | (54,606)         |
| Interest Paid   |           | (70,161)         |                   | (55,602)         |
| <b>Net cash used in Financing Activities</b>                          |           | <b>(125,221)</b> |                   | <b>(165,038)</b> |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b> |           | <b>3,709</b>     |                   | <b>(4,842)</b>   |
| <b>Opening Balance of Cash and Cash Equivalents</b>                   |           | <b>10,763</b>    |                   | <b>15,605</b>    |
| <b>Closing Balance of Cash and Cash Equivalents</b>                   |           | <b>14,472</b>    |                   | <b>10,763</b>    |

Note : Previous year's figures have been regrouped, wherever necessary.

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner

For and on behalf of the Board

**Mahesh K. Kamdar**

Chairman

**Satyapal Jain**  
**Sandeep H. Junnarkar**  
**S.C. Malhotra**  
**Bharat C. Gosalia** }

Directors

**Dilip V. Dherai**

Executive Director - Projects

**Mumbai,**  
Dated : 22nd April, 2006

**N. Shanker**

Company Secretary



## Shareholders' Referencer\*

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**\*This referencer has been prepared to facilitate shareholders to understand the procedures involved in completing various investor-related transactions expeditiously and properly. It is also endeavoured to provide the related forms and other information that may be required by shareholders.**

### At a Glance

- Presently, the Company has about 30,000 folios of shareholders holding Equity Shares in the Company.
- Face value of the Company's Equity Shares is Rs. 10/-.
- The Company's Equity Shares are under compulsory trading in demat form only.
- Over 93% of the Company's Equity Shares are held in demat form.
- The Company's Equity Shares are freely transferable except as may be required statutorily.
- Karvy Computershare Private Limited, Hyderabad, an ISO 9002 certified Registrar, is the Share Transfer Agent of the Company.
- The Company's Equity Shares are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).

### Investor Service and Grievance Handling Mechanism

All share related matters viz., transfer, transmission, transposition, nomination, dividend, change of name / address /signature, registration of mandate /Power of Attorney, replacement /split / consolidation /demat /remat of shares, issue of duplicate certificates etc. are being handled by the Company's Share Transfer Agent (STA) **Karvy Computershare Private Limited (Karvy)** Karvy, the largest Registrar in the country, having a vast number of Investor Service Centres across the country, discharges investor service functions effectively and expeditiously.

Investors are requested to correspond directly with Karvy, on all share related matters. List of Investor Service Centres of Karvy is enclosed as **Annexure-1**.

The Company has an established mechanism for investor service and grievance handling, with Karvy and the Compliance Officer appointed by the Company for this purpose being the important functional nodes. The Company has appointed a firm of Chartered Accountants as Internal Securities Auditors to concurrently audit the transactions and communication with investors, regulatory and other concerned authorities.

The Company has prescribed service standards for various investor related activities being handled by Karvy, which are covered in the section on 'Initiatives Taken by the Company'. Any deviation therefrom is examined by the Internal Securities Auditors who also advise the corrective actions thereon and inform the Company on the matters on a monthly basis.

The Board of Directors of the Company has constituted a Shareholders'/ Investors' Grievance Committee (the Committee) which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters



connected with securities transfers and other processes. The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. The Committee oversees the performance of the STA and recommends measures for overall improvement in the quality of investor services. The summary statement of investor-related transactions and details are also considered by the Committee.

### **Investor Services under MCA 21 Portal**

Ministry of Company Affairs (MCA) has launched a major e-Governance initiative christened as "MCA 21" on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)). One of the key benefits of this initiative includes timely redressal of investor grievances.

MCA 21 system accepts complaints under the eForm prescribed, which has to be filed online. The nature of complaint may relate to

- Shares / Dividend
- Debentures / Bond
- Fixed Deposits - non receipt of amount
- Miscellaneous - non receipts
- Any other

The status of complaint can be viewed by quoting the Service Request Number (SRN) provided at the time of filing the complaint.

### **Matters Relating to Shareholders**

#### **I. Dividend**

##### **(A) Course of Action in case of Non-receipt of Dividend, Revalidation of Dividend Warrant etc.**

##### **What should a shareholder do in case of non-receipt of dividend?**

Shareholders may write to the Company's STA furnishing the particulars of the dividend not received and quoting the folio number/client ID particulars (in case of dematerialised shares). The STA shall check the records and issue duplicate dividend warrant if the dividend remains unpaid in the records of the Company after expiry of the validity period of the warrant. The STA would request the concerned shareholders to execute an indemnity before issuing the duplicate warrant.

If the validity period of the lost dividend warrant has not expired, shareholders will have to wait till the expiry date since duplicate warrant cannot be issued during the validity of the original warrant. On expiry of the validity period, if the dividend warrant is still shown as unpaid in records of the Company, duplicate warrant will be issued.

However, duplicate warrants will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

No duplicate warrant will be issued in respect of dividends which have remained unpaid /unclaimed for a period of seven years in the unpaid dividend account of the Company as they are required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government.

##### **Why do the shareholders have to wait till the expiry of the validity period of the original warrant?**

Since the dividend warrants are payable at par at several centers across the country, banks do not accept 'stop payment' instructions. Hence, shareholders have to wait till the expiry of the validity of the original warrant.

##### **What is the procedure for revalidation of dividend warrants?**

Shareholders who have not encashed their dividend warrants within the validity period may send their request of revalidation to the Company's STA enclosing the said dividend warrants. The Company's STA will after due verification of the records, issue a revalidated dividend warrant.

##### **How can a bank or any other person be authorised to receive dividends on behalf of shareholders?**

Shareholders may write to the Company's STA furnishing the name and address of the authorized person/bank alongwith folio number and current communication address. The Company's STA will dispatch the respective shareholders' dividend warrants to the concerned person / bank. This facility is applicable only for the shareholders holding shares in physical form.

##### **(B) Payment of dividend through Electronic Clearing Service (ECS) facility**

##### **What is payment of dividend through ECS Facility and how does it operate?**

Reserve Bank of India's Electronic Clearance Service (ECS) Facility provides investors an option to receive dividend /interest directly in their bank accounts rather than receiving the same through post. Under this option, investor's bank account is directly credited and an advice thereof is issued by the Company after the transaction is effected. The concerned bank branch credits investor's account and indicate the credit entry as "ECS" in his / her pass book /statement of account. If any investor maintains more than one bank account, payment can be received at any one of his /her accounts as per the preference of the investor. The investor does not have to open a new bank account for the purpose.





### What are the benefits of ECS Facility?

Some of the major benefits of ECS Facility are:

- Prompt credit to the bank account of the investor through electronic clearing at no extra cost.
- Exposure to delays /loss in postal service avoided.
- As there can be no loss in transit of warrants,issue of duplicate warrants is avoided.
- Fraudulent encashment of warrants is avoided.

### Where is the ECS Facility available?

ECS Facility is presently made available to the investors residing at 15 centres, viz., Ahmedabad, Bangalore, Bhubhaneshwar, Chandigarh, Chennai, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram.

### How to avail of ECS Facility?

Investors holding shares in physical form may send their ECS Mandate Form, duly filled in, to the Company's STA. ECS Mandate Form is enclosed as **Annexure - 2** for immediate use of investors. The Form may also be downloaded from the STA's website under the section "Registrar Services → Investors" at [www.karvy.com](http://www.karvy.com). However, if shares are held in dematerialised form, ECS mandate has to be sent to the concerned Depository Participant (DP) directly, in the format prescribed by the DP.

### Why cannot the Company take on record bank details in case of dematerialised shares?

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the details furnished by the concerned DP. The Company cannot make any change in such records received from the Depository.

### Can ECS Facility be opted out by investors?

ECS would be an additional mode of payment. Investors would have the right to opt out from this mode of payment by giving an advance notice of four weeks either to the Company's STA or to the concerned DP, as the case may be.

### (C) Unclaimed Dividend

#### What are the statutory provisions governing unclaimed dividend?

Prior to amendment of Section 205A and enactment of Section 205C by the Companies (Amendment) Act, 1999 effective October 31, 1998, companies were required to transfer to the general revenue account of the Central Government any moneys transferred to the 'unpaid dividend account' which remained unpaid or unclaimed for a period of 3 years from the date of transfer to the unpaid dividend account.

With effect from October 31, 1998, any moneys transferred to the 'unpaid dividend account' of the Company and remaining unpaid or unclaimed for a period of 7 years from the date of such transfer shall have to be transferred to the Investor Education and Protection Fund (IEPF). Investors are requested to note that no claims shall lie against the Company or IEPF for any moneys transferred to IEPF in accordance with the provisions of Section 205C of the Companies Act, 1956.

### What is the status of unclaimed and unpaid dividend for different years?

In view of the statutory provisions, as aforesaid, the status of unclaimed and unpaid dividend of the Company is captured in the following Charts :

#### Chart 1

#### Status of unclaimed and unpaid dividend for different years :

|                             | Dividend for 1993- 94 or before                                  | Dividend for 1994- 95 to 1996- 97  | Dividend for 1997-98 and thereafter   |
|-----------------------------|--|--|---|
| Transfer of unpaid dividend | Transferred to General Revenue Account of the Central Government | Transferred to Central Government 's Investor Education and Protection Fund (IEPF) | Will be transferred to IEPF on due date(s)  |
| Claims for unpaid dividend  | Can be claimed from ROC, Maharashtra*                            | Cannot be claimed  | Can be claimed from the Company 's STA within the time limits provided in Chart 2 . |

\*Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) up to and including 1993-94 are requested to claim such dividend from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD-Belapur, Navi Mumbai - 400 614, Telephone (022) 2757 6802, in Form II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. A specimen of the said Claim Form is enclosed as **Annexure - 4**.

#### Chart 2

#### Information in respect of unclaimed and unpaid dividends declared for 1998-99 and thereafter :

| Financial year ended | Date of declaration of Dividend | Last date for claiming unpaid Dividend |
|----------------------|---------------------------------|--|
| 31.03.1999           | 22.09.1999                      | 21.09.2006                             |
| 31.03.2000           | 29.03.2000                      | 28.03.2007                             |
| 31.03.2001           | 28.06.2001                      | 27.06.2008                             |
| 31.03.2002           | 25.06.2002                      | 24.06.2009                             |
| 31.03.2003           | 06.09.2003                      | 05.09.2010                             |
| 31.03.2004           | 25.09.2004                      | 24.09.2011                             |
| 31.03.2005           | 16.09.2005                      | 15.09.2012                             |



## II. Dematerialisation / Rematerialisation of Shares

### What is dematerialisation of shares?

Dematerialisation (Demat) is the process by which securities held in physical form evidencing the holding of securities by any person are cancelled and destroyed and the ownership thereof is entered into and retained in a fungible form on a depository by way of electronic balances.

Demat facilitates paperless trading whereby securities transactions are executed electronically whereby reducing / mitigating possibility of loss of related documents and /or fraudulent transactions.

Trading in demat form is regulated by the Depositories Act, 1996 and is monitored by the Securities and Exchange Board of India (SEBI). The two depositories presently functioning in India are National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### Why dematerialise shares?

#### 1. Trading in Compulsory Demat

SEBI has notified various companies, including RIIL whose shares shall be traded in demat form only. By virtue of such notification, the shares of the Company are also subject to compulsory trading in demat form on the Stock Exchanges.

#### 2. Benefits of Demat

- Immediate transfer of shares.
- No formal registration required.
- No stamp duty applicable.
- No additional holding/transaction cost to Shareholders pursuant to SEBI directions of January 28, 2005.
- No requirement for approval of Board of Directors of the Company for transfers.
- Quick settlements.
- Shareholders need not worry about the space required for preserving certificates especially in case of large holdings.
- Avoidance of problems like loss in transit, theft, mutilation, forging of share certificates.
- Widely accepted for pledging against borrowings with lower interest rates.
- SEBI Guidelines prescribe further issues in electronic mode only.
- Facilitates the Company to determine entitlements easily and faster.
- Details of investors are obtained from the Beneficiary Position (Benpos) and hence cannot be manipulated by Companies.

- Dematerialised shares can be rematerialised or changed into physical form whenever the shareholder so desires.

### How to dematerialise shares?

The procedure for dematerialising shares is as under:

- Open Demat Account with a DP registered with SEBI.
- Submit Demat Request Form (DRF) as given by the DP, duly signed by all the holders with the names and signature in the same order as appearing in the concerned share certificate(s) and the Company records, alongwith requisite documentary proof and PAN details.
- Obtain acknowledgment from the DP on handing over the share certificate(s).
- Dematerialisation of shares is to be completed within 21 days of the receipt of the requisite document from DP. Service standard prescribed by the Company for completing demat process is 3 days.
- Receive a confirmation statement of holdings from the DP. Statement of holdings is sent by the DPs from time to time. Presently, confirmation is given by DPs on an immediate basis through email or SMS facilities, thus enabling shareholders to further trade in the securities immediately.

Shareholders should not send share certificate(s)/ documents to the Company /Company's STA directly for Demat.

Additional information on the matter may be received from -

Demat Advisory Cell  
Karvy Computershare Private Limited  
46, Avenue 4, Street No.1  
Banjara Hills  
Hyderabad 500 034, India  
Telephone Nos : 040 2332 0666 /  
2332 0711 / 2332 3031 / 2332 3037  
e-mail : riilnkm@karvy.com

### How to get dividend on dematerialised shares? Will such shareholders be eligible for receiving Annual Report every year and also to attend General Meetings?

Dividend of shareholders holding shares in dematerialised form will be credited through ECS to the bank accounts as opted by them while opening the Beneficiary Accounts with the DP. In other cases, dividend warrants will be despatched to them with the bank account details, as furnished by the Depositories, printed thereon.

Holding shares in dematerialised form will not affect the rights of the Shareholders. They, as members of the Company, will be entitled to receive Annual Report, attend General Meetings and participate and vote thereat to the extent of their entitlement.



### **Is pledge of dematerialised shares possible?**

Dematerialised shares can be pledged for the purpose of availing of any funding /loan arrangement with a bank.

### **What is rematerialisation of shares?**

It is the process through which shares held in demat form are converted into physical form in the form of share certificate(s).

### **What is the procedure for rematerialisation of shares?**

- Shareholder should submit duly filled in Rematerialisation Request Form (RRF) to the concerned DP.
- DP intimates the relevant Depository of the request through the system.
- DP submits RRF to the Company's STA.
- Depository confirms rematerialisation request to the Company's STA.
- The Company's STA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialised.
- Share certificate(s) is dispatched to the shareholder.

### **III. Nomination Facility**

#### **What is nomination facility and to whom it is more useful? What is the procedure of appointing a nominee?**

Section 109A of the Companies Act, 1956 provides the facility of nomination to shareholders. This facility will be very useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of the death of all joint holders.

Investors especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form 2B to the Company's STA. Form 2B is enclosed as **Annexure - 3** for immediate use of investors. The Form may also be downloaded from the STA's website under the section "Registrar Services → Investors" at [www.karvy.com](http://www.karvy.com).

However, if shares are held in dematerialised form, nomination has to be registered with the concerned DP directly, as per the format prescribed by the DP.

#### **Who can appoint a nominee and who can be appointed as a nominee?**

Individual shareholders holding the shares in single name or joint names can appoint a nominee. While an individual can be appointed as a nominee, a trust, society, body corporate, partnership firm, karta of HUF or a power of attorney holder will not be nominee(s). Minors can, however, be appointed as a nominee.

### **How to avail of nomination facility for more than one folio?**

There can be only one nomination for one folio. Folios having different order or combination of names of shareholders will require separate nominations.

### **Can a nomination once made be revoked / varied?**

It is possible to revoke /vary a nomination once made. If nomination is made by joint holders, and one of the joint holders dies, the remaining joint holder(s) can make a fresh nomination by revoking the existing nomination.

### **Are the joint holders deemed to be nominees to the shares?**

Joint holders are not nominees; they are joint holders of the relevant shares having joint rights on the same. In the event of death of any one of the joint holders, the surviving joint holder(s) of the shares is /are the only person(s) recognised under law as holder(s) of the shares. Joint Shareholders may together appoint a nominee.

### **What rights are conferred on the nominee and how can he exercise the same?**

The nominee is entitled to all the rights of the deceased shareholder to the exclusion of all other persons. In the event of death of the shareholder, all the rights of the shareholder shall vest in the nominee. In case of joint holding, all the rights shall vest in the nominee only in the event of death of all the joint holders. The nominee is required to apply to the Company by reporting the death of the nominator along with the attested copy of death certificate.

The nominee has an option to decide to register himself as a shareholder or he could send an application to have the shares transferred to any other person to whom the nominator could have otherwise transferred the shares. If the nominee opts to transfer the shares to a third party, he should submit to the Company's STA, the transfer deed(s) duly stamped and executed accompanied by the relevant certificate(s) and other documentary proof(s).

If shares are held in dematerialised form, nomination has to be registered with the concerned DP directly, as per the format prescribed by the DP.

### **IV. Transfer / Transmission / Transposition / Duplicate Certificates etc.**

#### **How to get shares registered in favour of transferee(s)?**

Transferee(s) need to send share certificate(s) along with share transfer deed, duly filled in, executed and affixed with share transfer stamps, to the Company's STA. It takes about 7 days for the Company's STA to process the transfer although the statutory time limit fixed for completing a transfer is one month.

The Government of India, Ministry of Finance, Department of Revenue has fixed the Stamp Duty on Transfer (whether with or without consideration) of shares at the rate of twenty five paise (25 paise) for every rupees hundred or part thereof of the market value of the shares on the date of execution of the transfer deed. The transfer deed is valid for a period of one year from the date of presentation or till the book closure date, whichever is later.

In case of dematerialised shares, the shares are credited to the purchaser's account by the respective Depository Participant under the directions of the concerned Depository. Presently, transfer of dematerialised shares does not attract stamp duty.

**How to get shares registered which are received by way of gift? Does it attract stamp duty?**

The procedure for registration of shares gifted (held in physical form) is same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @25 paise for every Rs. 100/- or part thereof, of the face value or the market value of the shares prevailing as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher.

The procedure for registration of shares gifted (held in demat form) is the same as the procedure for transfer of shares in demat form in off market mode.

**What is the procedure for getting shares in the name of surviving shareholder(s), in the event of death of one shareholder?**

The surviving shareholder(s) will have to submit a request letter supported by an attested copy of the Death Certificate of the deceased shareholder and accompanied by the relevant share certificate(s). The Company's STA on receipt of the said documents and after due scrutiny will delete the name of deceased shareholder from its records and return the share certificate(s) to the surviving shareholder(s) with necessary endorsement.

**If a shareholder who holds shares in his sole name dies without leaving a Will, how can his legal heir(s) claim the shares?**

The legal heir(s) should obtain a Succession Certificate or Letter of Administration with respect to the shares and send a true copy of the same, duly attested, alongwith a request letter, transmission form, and the share certificate(s) in Original, to the Company's STA for transmission of the shares in his /their name(s).

**In case of a deceased shareholder who held shares in his / her own name (single) and had left a Will, how do the legal heir(s) get the shares transmitted in their name(s)?**

The legal heir(s) will have to get the Will probated by the Court of competent jurisdiction and then send to the Company's STA the probated copy of the Will, alongwith relevant details of the shares, the relevant share certificate(s) in Original and transmission form for transmission of the shares in his /their name(s).

**How can the change in order of names (i.e. transposition) be effected?**

Share certificates alongwith a request letter duly signed by all the joint holders may be sent to the Company's STA for change in order of names, known as 'transposition'. Transposition can be done only for the entire holdings under a folio and therefore, requests for transposition of part holding cannot be accepted by the Company /STA.

For shares held in demat form, investors are advised to approach their DP concerned for transmission/transposition of the shares the Company.

**What is the procedure for obtaining duplicate share certificate(s) in case of loss / misplacement of original share certificate(s)?**

Shareholders who have lost / misplaced share certificate(s) should inform the Company's STA, immediately about loss of share certificate(s) quoting their folio number and details of share certificate(s), if available. The STA shall immediately mark a 'stop transfer' on the folio to prevent any further transfer of shares covered by the lost share certificate(s).

It is recommended that the shareholders should lodge a FIR with the police regarding loss of share certificate(s). They should send their request for duplicate share certificate(s) to the Company's STA. Documents required to be submitted alongwith the application include Indemnity Bond, Surety Form, copy of FIR, Memorandum of Association and Certified Copy of Board Resolution (in case of companies).

**What should a shareholder do in case he finds the original share certificate(s) after receipt of duplicate share certificate(s)?**

Such a shareholder is requested to surrender the original share certificate(s), after cancellation, to the Company's STA immediately if the duplicate share certificate(s) have been issued to him. Further, as the shareholder has been issued duplicate share certificate(s), he would be liable to indemnify any innocent third party(ies) purchasing the original share certificate(s), directly or indirectly, with or without the knowledge of the original shareholder, as it tantamounts to passing of adverse title.





### **What is the procedure for splitting of a share certificate into smaller lots?**

Shareholders may write to the Company's STA enclosing the relevant share certificate for splitting into smaller lots. The share certificates, after splitting, will be sent by the Company's STA to the shareholders at their registered address.

## **V. Miscellaneous**

### **(A) Change of address**

#### **What is the procedure to get changes in address registered in the Company's records?**

Shareholders holding shares in physical form, may send a request letter duly signed by all the holders giving the new address alongwith Pin Code. Shareholders are also requested to quote their folio number and furnish proof such as attested copies of Ration Card /PAN Card / Passport /Latest Electricity or Telephone Bill /Lease Agreement etc. If shares are held in dematerialised form, information about change in address needs to be sent to the DP concerned.

#### **Can there be multiple addresses for a single folio?**

There can only be one registered address for one folio.

### **(B) Change of name**

#### **What is the procedure for registering change of name of shareholders?**

Shareholders may request the Company's STA for effecting change of name in the share certificate(s) and records of the Company. Original share certificate(s) alongwith the supporting documents like marriage certificate, court order etc. should be enclosed. The Company's STA, after verification, will effect the change of name and send the share certificate(s) in the new name of the shareholders. Shareholders holding shares in demat form, may request the concerned DP in the format prescribed by DP.

### **(C) Authority to another person to deal with shares**

#### **What is the procedure for authorising any other person to deal with the shares of the Company?**

Shareholders need to execute a Power of Attorney in favour of the concerned person and submit a notarised copy of the same to the Company's STA. After scrutiny of the documents, the STA shall register the Power of Attorney and inform the shareholders concerned about the registration number of the same.

## **VI. Shareholders' General Rights**

- To receive not less than 21 clear days' notice of general meetings unless consented for a shorter notice.

- To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 1956 and the concerned Rules issued thereunder.
- To receive copies of Balance Sheet and Profit and Loss Account alongwith all annexures / attachments (Generally known as Annual Report).
- To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive dividends and other corporate benefits like bonus, rights etc. once approved.
- To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 1956.
- To inspect statutory registers and documents as permitted under law.

## **VII. Duties / Responsibilities of Investors**

- To remain abreast of corporate developments, company specific information and take informed investment decision(s).
- To be aware of relevant statutory provisions and ensure effective compliance therewith.
- Not to indulge in fraudulent and unfair trading in securities nor to act upon any unpublished price sensitive information.
- To participate effectively in the proceedings of shareholders' meetings.
- To respond to communications seeking shareholders' approval through Postal Ballot.
- To respond to communications of SEBI/ Depository / Depository Participant / Brokers/ Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

## **VIII. General Safeguards**

In pursuit of the Company's objective to mitigate /avoid risks while dealing with securities and related matters, the following are certain general safeguards suggested for investors to follow :

- Folio number (Client ID and DP ID number in respect of dematerialised securities) should not be disclosed to unknown persons. Signed blank transfer deeds (delivery instruction slips in respect of dematerialised shares) should not be given to unknown persons.
- Off-market deals and dealings with / through unregistered intermediaries should be avoided. It exposes investor to the counter-party risk.



- Demat account should not be kept dormant for long; periodic statement of holdings should be obtained from the concerned DP and holdings verified.
- Correspondence containing certificates of securities and high value dividend /interest warrants / cheques /demand drafts should not be sent by ordinary post.
- A valid Contract Note /Confirmation Memo should be obtained from the broker /sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note /Confirmation Memo contains Order no., trade no., trade time, quantity, price and brokerage.
- Investors should restrain themselves from indulging into insider trading and fraudulent trading practices.
- Investors should convert their physical holdings of securities into demat holdings.

### Initiatives Taken by the Company

#### Setting New Benchmarks in Investor Service

The service standards that have been set by the Company for various investor related transactions / activities are as follows:

#### (A) Registrations

| Sr. Particulars No.              | Service Standards (No. of working days) |
|----------------------------------|---|
| 1 Transfers                      | 7                                       |
| 2 Transmission                   | 4                                       |
| 3 Transposition                  | 4                                       |
| 4 Deletion of Name               | 3                                       |
| 5 Folio Consolidation            | 3                                       |
| 6 Change of Name                 | 3                                       |
| 7 Demat                          | 3                                       |
| 8 Remat                          | 3                                       |
| 9 Issue of Duplicate Certificate | 35                                      |
| 10 Replacement of Certificate    | 3                                       |
| 11 Certificate Consolidation     | 3                                       |
| 12 Certificate Split             | 3                                       |

#### (B) Correspondence

| Sr. Particulars No. | Service Standards (No. of working days) |
|---------------------|---|
|---------------------|---|

#### Queries / Complaints

|                                    |   |
|------------------------------------|---|
| 1 Non-receipt of Annual Reports    | 2 |
| 2 Non-receipt of Dividend Warrants | 4 |
| 3 Non-receipt of Certificate       | 2 |

#### (B) Correspondence (continued)

| Sr. Particulars No. | Service Standards (No. of working days) |
|---------------------|---|
|---------------------|---|

#### Event Related

|                           |   |
|---------------------------|---|
| 1 TDS certificate related | 2 |
| 2 Others                  | 2 |

#### Requests

|                                     |   |
|-------------------------------------|---|
| 1 Change of Address                 | 2 |
| 2 Revalidation of Dividend Warrants | 3 |
| 3 Bank Mandate /Details             | 2 |
| 4 Nomination                        | 2 |
| 5 Power of Attorney                 | 2 |
| 6 Multiple Queries                  | 4 |
| 7 IEPF Letters                      | 3 |

#### Undelivered Share Certificates and Warrants

The Company with the help of its STA has been engaged in a continuous exercise of tracking investors who could not be reached at their existing address.

#### Intimation Letters to Investors

The Company gives an opportunity by sending intimation letters to investors for claiming their outstanding dividend amount which is due for transfer to Investor Education and Protection Fund.

#### Consolidation of Folios

The Company has initiated a unique investor servicing measure for consolidation of small holdings within the same household. In terms of this, those shareholders holding less than 10 shares (under a single folio) in the Company, within the same household, can send such shares for transfer alongwith transfer forms duly filled in and signed, free of cost; the stamp duty involved in such cases will be borne by the Company.

#### Information Regarding Tax on Dividend and Sale of Shares

The provisions relating to tax on dividend and sale of shares are provided for ready reference of Shareholders:

- No tax is payable by shareholders on dividend. However, the Company is required to pay dividend tax @12.5% and surcharge @10%, together with education cess @ 2%.
- Short Term Capital Gains (STCG) tax is payable @ 10% and surcharge (@ 10% above income level of Rs 10 lakh) together with education cess @ 2%, by the shareholders in case shares are sold within 12 months from the date of purchase.





- No Long Term Capital Gains (LTCG) tax is payable on sale of shares through a recognized stock exchange.
- Securities Transaction Tax (STT) is payable as under –
  - @ 0.125% (w.e.f. June 1, 2006) on both the purchaser and the seller in respect of delivery based transactions.
  - @ 0.017% (w.e.f. June 1, 2006) on the seller in respect of derivatives.
  - @ 0.025% (w.e.f. June 1, 2006) on the seller in respect of transactions in securities not being settled by actual delivery.

## Contact Details

### Depositories

#### National Securities Depository Limited

Trade World, 4th floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Tel 022 2499 4200  
Fax 022 2497 2993 / 2497 6351  
info@nsdl.co.in  
www.nsdl.co.in

#### Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers  
16th floor, Dalal Street  
Mumbai 400 023  
Tel 022 2272 3333  
Fax 022 2272 3199 / 2272 2072  
investors@cdslindia.com  
www.cdslindia.com

### Share Transfer Agent

#### Karvy Computershare Private Limited

46, Avenue 4, Street No.1  
Banjara Hills,  
Hyderabad 500 034  
Tel 040 2332 0666 / 2332 0711 / 2332 3037  
Fax 040 2332 3058  
riiInkm@karvy.com

### Securities and Exchange Board of India

Mittal Court 'B' Wing, 1st Floor  
224, Nariman Point,  
Mumbai 400 021  
Tel 022 2285 0451 - 56  
Fax 022 2204 5633 / 2202 1073  
iggc@sebi.gov.in  
www.sebi.gov.in

### Securities and Exchange Board of India Office of Investor Assistance and Education

Exchange Plaza, Wing II, 4th Floor  
Bandra-Kurla Complex,  
Bandra (E)  
Mumbai 400 051  
Tel 022 2659 8510 - 13 / 2659 8526 - 27  
Fax 022 2659 8514 / 18  
iggc@sebi.gov.in  
www.sebi.gov.in

### Registrar of Companies, Maharashtra

2nd Floor, Hakoba Mills Compound  
Dattaram Lad Marg, Kalachowki, Mumbai 400 033  
Tel 022 2378 2497  
rocbom.sb@sb.nic.in

### Company Law Board

(Western Region Bench)  
2nd Floor, NTC House  
15, N.M.Marg, Ballard Estate  
Mumbai 400 038  
Tel 022 2261 1456

### Regional Director (Western Region)

Everest, 5th Floor  
100, Marine Drive  
Mumbai 400 002  
Tel 022 2281 7259  
Fax 022 2281 2389  
rdwest@sb.nic.in

### Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001  
Tel 022 2272 1233 / 4  
Fax 022 2272 1919  
isc@bseindia.com  
www.bseindia.com

### National Stock Exchange of India Limited

"Exchange Plaza "  
Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051  
Tel 022 2659 8100 / 8114  
Fax 022 2659 8120  
ignse@nse.co.in

**General Shareholder Information covering inter alia listing details, stock market data, the Company's share price performance etc. is provided in the Report on Corporate Governance forming part of the Annual Report.**

### NOTE :

The terms 'shareholders' and 'investors' have been used interchangeably.

The contents of this Referencer are for the purpose of general information of readers; for full particulars / provisions, readers are advised to refer to the relevant Acts /Rules /Regulations /Guidelines /Clarifications.



**Annexure 1 to Shareholders' Referencer**

**List of Investor Service Centres of Karvy Computershare Private Limited**

| CITY / CENTRE            | STD CODE | PHONE  | FAX                | E-MAIL ID  |
|--------------------------|----------|--|--------------------|--|
| AGRA                     | 0562     | 2526660 to 63                                | 2526663            | sandeepagar@karvy.com, ksblagra@karvy.com            |
| AHMEDABAD                | 079      | 26420422 / 26400527 / 28                     | 2656551            | ahmedabad@karvy.com                                  |
| ALIGARH                  | 0571     | 2509106 to 08                                | 2429272            | aligarh@karvy.com; ksblaligarh@karvy.com             |
| ALLAHABAD                | 0532     | 2561073 to 74                                | 2561073            | pradeept@karvy.com, ksblallahabad@karvy.com          |
| ANANTAPUR                | 08554    | 249601 / 249607 / 249608                     | ~                  | lrajesh@karvy.com, ksblanantapur@karvy.com           |
| ANKLESHWAR               | 02646    | 243291 / 243292 / 243392 / 243955            | ~                  | hiren.soni@karvy.com, ksblankleshwar@karvy.com       |
| AURANGABAD               | 0240     | 2363517 / 23 / 24 / 30                       | ~                  | shaileshn@karvy.com, ksblabad@karvy.com              |
| BANGALORE                | 080      | 26621192 / 26621193                          | 26621169           | ramapriyanpb@karvy.com                               |
| BAREILLY                 | 0581     | ~  | 2476797            | avitabh@karvy.com, ksblbareilly@karvy.com            |
| BELGAUM                  | 0831     | 2402544 / 2402722 / 2402880                  | 2402933            | ksblbelgaum@karvy.com                                |
| BELLARY                  | 08392    | 254531, 254532                               | 254533             | vijayendra@karvy.com, ksblbellary@karvy.com          |
| BHARUCH                  | 02642    | 242082 / 242394 / 241546                     | ~                  | hiren.soni@karvy.com, ksblbharuch@karvy.com          |
| BHAVNAGAR                | 0278     | 2525005, 2525006                             | ~                  | manish.jain@karvy.com, bhavnagar@karvy.com           |
| BHIMAVARAM               | 08816    | 231766 / 67 / 68 / 69                        | ~                  | ppvarma@karvy.com, ksblbvaram@karvy.com              |
| BHOPAL                   | 0755     | 2559332, 2559337, 2574569, 2574589, 2574731  | 2760890            | ashutosh.dwivedi@karvy.com, ksblbhopal@karvy.com     |
| BHUBANESHWAR             | 0674     | 2547531 to 34, 2547382                       | 2511012            | ksblbbsr@karvy.com                                   |
| CALICUT                  | 0495     | 2760882, 2760884                             | ~                  | bjesh@karvy.com, ksblcalicut@karvy.com               |
| CHANDIGARH               | 0172     | 5071726, 5071727, 5071728, 5079702           | ~                  | sanjay@karvy.com, chandigarh@karvy.com               |
| CHENNAI                  | 044      | 28153445, 28151034, 28153658                 | 28153181           | sraja@karvy.com, ksblmadras@karvy.com                |
| CHILAKALURIPET           | 08647    | 257501                                       | 257502             | ksblchpet@karvy.com                                  |
| COIMBATORE               | 0422     | 2237501 TO -506, 2231387, 2237990            | ~                  | srn@karvy.com, coimbatore@karvy.com                  |
| CUTTACK                  | 0671     | 2335187, 3110827, 3109972                    | ~                  | debasis@karvy.com, ksblcuttack@karvy.com             |
| DEHRADUN                 | 0135     | 2713351, 2714046, 2714047                    | 2714047            | abhishek@karvy.com, ksbldehradun@karvy.com           |
| DINDIGUL                 | 0451     | 2436077, 2436177                             | ~                  | dindigul@karvy.com                                   |
| DURGAPUR                 | 0343     | 2586375 to 77                                | ~                  | jagdish@karvy.com, ksblurgapur@karvy.com             |
| ELURU                    | 08812    | 227851 / 52 / 54                             | ~                  | ksbleluru@karvy.com                                  |
| ERODE                    | 0424     | 2225603, 225615, 2225616, 2225617, 2225624   | ~                  | erode@karvy.com                                      |
| GHAZIABAD                | 0120     | 2701886, 2701891                             | ~                  | shailendra@karvy.com, ksblghaziabad@karvy.com        |
| GOBICHETTIPALAYAM        | 04285    | 226275, 226276                               | ~                  | gobi@karvy.com                                       |
| GORAKHPUR                | 0551     | 2333825, 2333814                             | 2346519            | abhinav@karvy.com, ksblgorakhpur@karvy.com           |
| GUNTUR                   | 0863     | 2326684 / 2326686                            | 2326687            | ssrikanth@karvy.com, ksblguntur@karvy.com            |
| HALDIA                   | 03224    | 276755 to 57                                 | ~                  | joshiss@karvy.com, ksblhaldia@karvy.com              |
| HUBLI                    | 0836     | 2353962, 2353974, 2353975                    | 2353961            | basavarajhiur@karvy.com, hubli@karvy.com             |
| HYDERABAD                | 040      | 23312454 / 23320251                          | 23312946           | irchyd@karvy.com                                     |
| INDORE                   | 0731     | 5069891, 5069892, 5069893                    | 5069894            | pmungre@karvy.com                                    |
| JAIPUR                   | 0141     | 2375099, 2363321, 2375039                    | 2364660            | mbmaheshwari@karvy.com, ksbljaipur@karvy.com         |
| JAMNAGAR                 | 0288     | 2557862 TO 65                                | ~                  | jamnagar@karvy.com                                   |
| JAMSHEDPUR               | 0657     | 2487020, 2487045, 2487048                    | ~                  | jamshedpur@karvy.com, ksbljamshedpur@karvy.com       |
| JUNAGADH                 | 0285     | 2624154 / 2624140 / 2624125                  | ~                  | junagadh@karvy.com                                   |
| KAKINADA                 | 0884     | 2387382 / 2387383                            | 2387381            | vvrao@karvy.com, ksblkakinada@karvy.com              |
| KANPUR                   | 0512     | 2330127, 2331445, 3092333, 3096000           | 2558334            | prashant@karvy.com, ksblkanpur@karvy.com             |
| KARAIKUDI                | 04565    | 237192, 237193                               | ~                  | karaiikudi@karvy.com                                 |
| KARUR                    | 04324    | 241892, 241893, 241894                       | 241891             | karur@karvy.com                                      |
| KOCHI                    | 0484     | 2310884, 2322152                             | 2323104            | rganesan@karvy.com, ksblcochin@karvy.com             |
| KOLKATA                  | 033      | 24634787 to 89, 24647231, 24647232, 24644891 | 24644866, 24634787 | aloke@karvy.com, ksblcalcutta@karvy.com              |
| LUCKNOW                  | 0522     | 2236820 to 26                                | 2236826            | nitinsaxena@karvy.com, adminlucknow@karvy.com        |
| MADURAI                  | 0452     | 2350855, 2350852 to 854                      | 2350856            | madurai@karvy.com, ksblmadurai@karvy.com             |
| MANGALORE                | 0824     | 2492302, 2496332, 2492901                    | 2496352            | cshtetty@karvy.com, mangalore@karvy.com              |
| MATTANCHERRY             | 0484     | 2223243                                      | ~                  | kparthasarathy@karvy.com, ksblmattancherry@karvy.com |
| MUMBAI                   | 022      | 26730799 / 843 / 311 / 867 / 153 / 292       | 26730152           | pbamalani@karvy.com, mumbaiandheri@karvy.com         |
| MUMBAI                   | 022      | 30325600, 30325624, 30325645                 | 2285731            | francisji@karvy.com                                  |
| MYSORE                   | 0821     | 2524292, 2524294                             | 2524293            | vasanthank@karvy.com, mysore@karvy.com               |
| NADIAD                   | 0268     | 2563210 / 2563245 / 2563248                  | ~                  | nadiad@karvy.com                                     |
| NASIK                    | 0253     | 2577811, 5602542, 5602543, 5602544           | ~                  | nabriyad@karvy.com                                   |
| NELLORE                  | 0861     | 2349935 / 2349936 / 2349937                  | 2349939            | chandramohan@karvy.com, ksblnellore@karvy.com        |
| NEW DELHI                | 011      | 23324401 / 23353835 / 981                    | 23324621           | sakulpuri@karvy.com, ksblldelhi@karvy.com            |
| PALGHAT                  | 0491     | 2547143                                      | ~                  | palghat@karvy.com                                    |
| PANJIM                   | 0832     | 2426870, 2426871, 2426872                    | 2426873            | rajeshpatki@karvy.com, ksblpanjim@karvy.com          |
| PATNA                    | 0612     | 2321355 / 56                                 | ~                  | sanjayn@karvy.com, ksblpatna@karvy.com               |
| PONDICHERRY              | 0413     | 2220636, 2220640                             | 2220659            | vipul@karvy.com, ksblpondicherry@karvy.com           |
| PRODDATUR                | 08564    | 250822 / 250823 / 250824                     | ~                  | viswam@karvy.com, ksblproddatur@karvy.com            |
| PUNE                     | 020      | 4048790                                      | 25456842           | anandjaju@karvy.com, pune@karvy.com                  |
| RAJAHMUNDRY              | 0883     | 2434468 / 2434469                            | 2434471            | gv@karvy.com; ksblrjm@karvy.com                      |
| RAJKOT                   | 0281     | 2239403 / 2239404 / 2239338 / 2294316        | ~                  | manish.jain@karvy.com, rajkot@karvy.com              |
| RANCHI                   | 0651     | 2330386, 2330394, 2330320                    | ~                  | ranchi@karvy.com, ksblranchi@karvy.com               |
| RENUKOOT                 | 05446    | 254201                                       | ~                  | renukoot@karvy.com                                   |
| ROURKELA                 | 0661     | 2510771, 2510772                             | ~                  | nmohanty@karvy.com, rourkela@karvy.com               |
| SALEM                    | 0427     | 2335700 TO 704                               | 2335705            | salem@karvy.com                                      |
| SHIMOGA                  | 08182    | 228795, 228796, 227485                       | 2226747            | shimoga@karvy.com, ksblshimoga@karvy.com             |
| SURAT                    | 0261     | 8357356 / 8351976 / 8369928                  | 8368693            | surat@karvy.com, ksblsurat@karvy.com                 |
| TANJORE                  | 04362    | 279407, 279408                               | ~                  | tanjore@karvy.com                                    |
| THENI                    | 04546    | 261285, 261108                               | ~                  | jaya@karvy.com, theni@karvy.com                      |
| TIRUPATI                 | 0877     | 2252756                                      | ~                  | venkatreddy@karvy.com, ksbltirupati@karvy.com        |
| TIRUPUR                  | 0421     | 2205865, 5330158                             | ~                  | tirupur@karvy.com                                    |
| TRICHUR                  | 0487     | 2322483, 2322484                             | ~                  | josephka@karvy.com                                   |
| TRICHY                   | 0431     | 2798200, 2791000                             | 2794132            | trichy@karvy.com                                     |
| TRIVANDRUM               | 0471     | 2725987, 2725989 to 991                      | 2725987            | csjoy@karvy.com, ksbltvm@karvy.com                   |
| TUMKUR                   | 0816     | 2261891, 2261892, 2261893                    | ~                  | somnath@karvy.com, tumkur@karvy.com                  |
| UDUPI                    | 0820     | 2530962, 2530963, 2530964                    | ~                  | ksbludupi@karvy.com, udupi@karvy.com                 |
| VADODARA                 | 0265     | 2225325 / 2225389                            | 2363207            | shoban@karvy.com, ksblbaroda@karvy.com               |
| VALLABH-VIDHYANAGAR      | 02692    | 248980, 248873                               | ~                  | mukesh.patel@karvy.com, vvnagar@karvy.com            |
| VARANASI                 | 0542     | 2225365, 2223814                             | 2223814            | ashutosh@karvy.com, ksblvaranasi@karvy.com           |
| VIJAYAWADA               | 0866     | 2495200 / 400 / 500 / 600 / 700 / 800        | 2495300            | cchrao@karvy.com, vijayawada@karvy.com               |
| VISHAKAPATNAM            | 0891     | 2752915 to 18                                | 2752915 - 18       | ysrinivas@karvy.com, ksblvizag@karvy.com             |
| VISHAKAPATNAM - GAJUWAKA | 0891     | 2511685, 2511686                             | ~                  | prasad@karvy.com, ksblgajuwaka@karvy.com             |



**Annexure 2 to Shareholders' Referencer**  
**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM**

To,  
 Karvy Computershare Private Limited  
 Unit : Reliance Industrial Infrastructure Limited  
 21, Avenue 4, Street No. 1, Banjara Hills  
 Hyderabad - 500 034.

Dear Sirs,

FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please  wherever is applicable.

**For shares held in physical form**

**Master Folio No.**

|                            |                      |
|----------------------------|----------------------|
| <b>FOR OFFICE USE ONLY</b> |                      |
| <b>ECS Ref.No.</b>         | <input type="text"/> |

**For shares held in electronic form**

**DP. ID**

**Client ID**

|                             |   |
|-----------------------------|---|
| <b>Name of First holder</b> | <input type="text"/>  |
| <b>Bank name</b>            | <input type="text"/>  |
| <b>Branch name</b>          | <input type="text"/>  |
| <b>Branch code</b>          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <p>(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank).<br/>                 Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.</p> |

|   |   |   |                                  |                                      |
|---|---|---|----------------------------------|--------------------------------------|
| <b>Account type</b>                               | → | Savings <input type="checkbox"/>  | Current <input type="checkbox"/> | Cash Credit <input type="checkbox"/> |
| <b>A/c. No. (as appearing in the cheque book)</b> | → | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |                                  |                                      |
| <b>Effective date of this mandate</b>             | → | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>  |                                  |                                      |

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Karvy Computershare Private Limited, will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/ Reliance Industrial Infrastructure Limited.

I further undertake to inform the Company any change in my Bank/branch and account number.

Dated : \_\_\_\_\_ (Signature of First holder)

Note : On dematerialisation of existing physical shares, for which you have availed ECS facility, please submit a fresh ECS Mandate directly to your D.P. instead of sending to Karvy.



**Annexure 3 to Shareholders' Referencer**  
**Nomination Form - 2B**  
 (To be filled in by individual(s) applying singly or jointly)

|   |  |
|---|--|
| To,<br><br><b>Karvy Computershare Private Limited</b><br>Unit : Reliance Industrial Infrastructure Limited<br>21, Avenue 4, Street No.1<br>Banjara Hills<br>Hyderabad - 500 034 | From <b>Name of Member and address</b><br>_____<br>_____<br>Folio No. _____<br>No. of Shares _____ |
|---|--|

I am / we are holder(s) of equity shares of the Company as mentioned above. I / We nominate the following person in whom all rights of transfer and / or amount payable in respect of said equity shares shall vest in the event of my / our death.

|   |   |              |  |               |          |  |   |         |  |   |           |
|---|---|--------------|--|---------------|----------|--|---|---------|--|---|-----------|
| <b>Nominee's name</b>   |   | Age          |  |               |          |  |   |         |  |   |           |
| To be furnished in case the nominee is a minor                      |   |              |  | Date of Birth |          |  |   |         |  |   |           |
| Guardian's Name & Address *   |   |              |  |               |          |  |   |         |  |   |           |
| Occupation of Nominee Tick (✓)                                      | 1 | Service      |  | 2             | Business |  | 3 | Student |  | 4 | Household |
|   | 5 | Professional |  | 6             | Farmer   |  | 7 | Others  |  |   |           |
| Nominee's Address   |   |              |  |               |          |  |   |         |  |   |           |
|   |   | Pin Code     |  |               |          |  |   |         |  |   |           |
| Telephone No.   |   |              |  | Fax No.       |          |  |   |         |  |   |           |
| Email Address   |   |              |  | STD Code      |          |  |   |         |  |   |           |
| Specimen signature of Nominee / Guardian (in case nominee is minor) |   |              |  |               |          |  |   |         |  |   |           |

**Kindly take the aforesaid details on record.**

\* To be filled in case nominee is a minor

Thanking you,  
Yours faithfully,

Date.....

| Name and address of Member(s) {as appearing on the Certificate(s)} |  | Signature (as per specimen with company) |
|--|--|--|
| Sole / 1 <sup>st</sup> holder                                      |  |  |
| Address  |  |  |
|  |  |  |
| 2 <sup>nd</sup> holder   |  |  |
| 3 <sup>rd</sup> holder   |  |  |
| 4 <sup>th</sup> holder   |  |  |

|                  |  |                     |  |
|------------------|--|---------------------|--|
| Witnesses (two)  |  |                     |  |
| Name and Address |  | Signature with Date |  |
| 1.               |  |                     |  |
| 2.               |  |                     |  |



## INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by members who are individuals only. This facility is not available to members who are non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family and holders of power of attorney. If the shares are held jointly all joint holders must sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian should be given by the holder.
4. The nominee cannot be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of shares in favour of a nominee shall be a valid discharge by the Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled in, else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. This nomination will stand rescinded whenever the shares in the given folio are entirely transferred or dematerialised.
10. Upon receipt of a duly executed nomination form, the Share Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claim other than that of a registered nominee, unless so directed by any competent court.
13. The intimation regarding nomination / nomination form should be filed **in duplicate** with the Share Transfer Agent of the Company who will return one copy thereof to the Members.
14. This Nomination Form is to be used by members having shares in physical form. However, for shares held in dematerialised form nomination is required to be filed with the Depository Participant in their prescribed form.

| FOR OFFICE USE ONLY             |  |
|---------------------------------|--|
| Nomination Registration Number  |  |
| Date of Registration            |  |
| Checked by (Name and Signature) |  |



**Annexure 4 to Shareholders' Referencer**

**FORM II**  
**[See Rule 6(i)]**  
**PART 'A'**

Application to the Central Government for an order for payment of the dividend amount out of the General Revenue Account of the Central Government pursuant to section 205B of the Companies Act, 1956.

1. Name of the applicant :
2. Postal address of the applicant :
3. Name, registration number and registered address of the company from which the amount is due. : Reliance Industrial Infrastructure Limited  
Regn. No. 11 - 49019  
5th Floor, NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road, Mumbai - 400 020.
4. Number of shares held :
  - (i) Preference shares (with distinctive numbers)
  - (ii) Equity shares (with distinctive numbers)
5. Financial year to which the dividend relates. :
6. Amount due :
  - (i) On Preference Shares
  - (ii) On Equity Shares
  - (iii) Interest, if any, payable to him pursuant to sub-section (4) of Section 205A of the Act, and
  - (iv) Total of (i), (ii) and (iii) above :
7. Reasons for non-receipt of the amount from the Company.:

Place :

Date :

\_\_\_\_\_  
(Signature of the applicant or a person holding a power of attorney from the applicant)

Received from the Registrar of Companies, Maharashtra at Mumbai the sum of Rs. \_\_\_\_\_ (Rupees (in words) \_\_\_\_\_ ) being the amount payable to me/us from the General Revenue Account of the Central Government as unclaimed or unpaid dividend (which was originally) due from M/s. Reliance Industrial Infrastructure Limited.

1. Signature of witness with name, date, address and occupation : Signature of the claimant with name, date, address and occupation (on revenue stamp of Re. 1/- if the claim is for Rs. 500/- or more)
2. Signature of witness, with name, date, address and occupation

**Notes:**

1. *Indemnity Bond should be furnished on non-judicial stamp paper of the requisite value, in case the claim exceeds Rs.2500/-.*
2. *In the case of deceased shareholder, the legal representative(s) of the deceased shareholder, who is (are) preferring the claim, is(are) required to furnish succession certificate/probate/letters of administration. In case the shares have been transmitted in the name of the claimant, a certificate in this behalf from the company be furnished.*
3. *Dividend warrant or a photocopy of the share certificate should be furnished.*
4. *Separate applications should be made for claims in respect of each company.*



**PART 'B'**

**Payment Order by the Registrar of Companies, Maharashtra, Mumbai**

Classification "075-Miscellaneous General Services-  
Unpaid dividends of Companies - Deduct Refunds."

Certified that the amount claimed, namely  
Rs. \_\_\_\_\_ has actually been deposited by the  
company to the General Revenue Account of the Central  
Government under Major Head "075 Miscellaneous General  
Services - Unpaid Dividends of Companies" on \_\_\_\_\_  
(date). Necessary note for refund has been kept in the  
accounts maintained by me.

\_\_\_\_\_  
(Asst. Registrar of Companies, Maharashtra, Mumbai)

Passed for payment for Rs. \_\_\_\_\_ in  
favour of Shri/Smt. \_\_\_\_\_.

The cheque/demand draft may please be issued in favour  
of Shri/Smt. \_\_\_\_\_.

\_\_\_\_\_  
(Asst. Registrar of Companies, Maharashtra, Mumbai)

**FORM III**

**[See Rule 6(3)]**

**Form of Indemnity Bond**

To

The Registrar of Companies, Maharashtra  
CGO Complex, 2nd Floor,  
"A" Wing, CBD-Belapur,  
Navi Mumbai - 400 614.

In Consideration of your agreeing to pay me/us the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_  
only), being the amount due to me/us on dividend for the year(s) \_\_\_\_\_) from Reliance Industrial  
Infrastructure Limited, Mumbai, out of the General Revenue Account of the Central Government.  
I, \_\_\_\_\_ son/daughter/wife of Mr / Mrs \_\_\_\_\_ do hereby agree to  
indemnify you to the extent of any claim not exceeding the amount herein before mentioned which may be  
preferred against you, and which you may have to lawfully discharge.

**(Signature)**

Place :

Date :

Witnesses:-

1. \_\_\_\_\_

(Signature) :

Address : \_\_\_\_\_

2. \_\_\_\_\_

(Signature) :

Address : \_\_\_\_\_







**ATTENDANCE SLIP**

**Reliance Industrial Infrastructure Limited**

Registered Office : 5th Floor, NKM International House, 178, Backbay Reclamation,  
Babubhai Chinai Road, Mumbai - 400 020.

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint shareholders may obtain additional attendance slip on request at the venue.

|             |  |
|-------------|--|
| DP. ID #    |  |
| Client ID # |  |

|                      |  |
|----------------------|--|
| Master Folio No.     |  |
| No. of Share(s) held |  |

# Applicable for Members holding shares in dematerialised form.

NAME AND ADDRESS OF THE MEMBER: \_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chambers, IMC Marg, Churchgate, Mumbai - 400 020, on Wednesday, 12th July, 2006 at 11.00 a.m.

SIGNATURE OF THE MEMBER\* OR PROXY\*

\*Strike out whichever is not applicable.

- - - - - TEAR HERE - - - - -



**PROXY FORM**

**Reliance Industrial Infrastructure Limited**

Registered Office : 5th Floor, NKM International House, 178, Backbay Reclamation,  
Babubhai Chinai Road, Mumbai - 400 020.

|             |  |
|-------------|--|
| DP. ID #    |  |
| Client ID # |  |

|                      |  |
|----------------------|--|
| Master Folio No.     |  |
| No. of Share(s) held |  |

# Applicable for members holding shares in dematerialised form.

I / We \_\_\_\_\_  
of \_\_\_\_\_  
being a member / members of Reliance Industrial Infrastructure Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to vote for me / us and on my / our behalf at the Eighteenth Annual General Meeting to be held on  
Wednesday, 12th July, 2006 at 11.00 a.m. or at any subsequent adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

15 paise  
Revenue  
Stamp

Notes : (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The Proxy need not be a member of the Company.  
(2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



## Book Post

If undelivered please return to :

**Karvy Computershare Private Limited**

Unit : Reliance Industrial Infrastructure Limited

21, Avenue 4, Street No. 1

Banjara Hills, Hyderabad - 500 034.

Tel.: +91-40-2332 0666 / 0711 / 3031 / 3037

Fax: +91-40 2332 3058