



Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Reliance Industrial Infrastructure Limited is as under :

1. Statement on Company's philosophy on Code of Governance

Good governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions and meets its stakeholders' aspirations.

The demands of corporate governance require professionals to raise their competency levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the board of directors, audit committee, accounting and corporate secretarial team, auditors and senior management.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time.

The Company not only adheres to the prescribed corporate practices as per Clause 49 of the Listing Agreement but has also undertaken several initiatives towards maintaining the highest standards of Governance and these include :

- **Independent Statutory Auditors:** The Company's accounts are audited by Messrs Chaturvedi & Shah, Chartered Accountants, one of India's leading audit firms and a member of the Nexia's global network of independent accounting and consulting firms.
- **Guidelines for the Board / Committee Meetings:** The Company has defined Guidelines and established framework for the meetings of the Board and Board Committees. These guidelines seek to systematize the decision making process at the meeting of the Board and Board Committees in an informed and efficient manner.
- **Key Board activities during the year:** The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. The agenda for Board reviews includes a detailed analysis and review of annual operating plans, capital allocation and budgets.
- **Internal Checks and Balances:** The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and company policies.
- **Legal Compliance Program:** The Company has instituted a legal compliance program in conformity with best

international standards. This program is supported by a robust, on-line system that covers all operations of the Company. The gamut of this system includes corporate laws, labour and industrial laws and taxation laws.

- **Shareholders Communications:** The Company's corporate website: www.riil.in has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact the Company directly via dedicated shareholder contact points as provided with this report or through any of Investor Service Centres of the Company's Share Transfer Agent spread over 80 cities across India. List of Investor Service Centres of the Share Transfer Agent is available on the Company's corporate website: www.riil.in. The Company ensures that queries, complaints and suggestions of shareholders are responded to in a timely and consistent manner. A shareholder referencer is provided with this report which is quite comprehensive and informative.
- **Role of the Company Secretary in Overall Governance Process:** The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.
- **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:** The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these Standards are recommendatory in nature, the Company substantially adheres to the Standards voluntarily.

2. Board of Directors

Board Composition and category of Directors

The Board of Directors of the Company (the Board) consists of 5 Directors, out of which 3 are Independent Directors. The composition of Board and category of Directors are as follows :

Category	Name of the Directors
Non-Independent Non-Executive Director	S. C. Malhotra
Executive Director	Dilip V. Dherai
Independent Non-Executive Directors	Mahesh K. Kamdar - <i>Chairman</i> * Chandra Raj Mehta Sandeep H. Junnarkar

* Independent Director with effect from 16th January, 2012.

All independent Directors have furnished a declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

What constitutes independence of Directors

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

Directors' Profile

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships / chairmanships of Board Committees and their shareholding in the Company are provided below :

(a) **Shri Mahesh K. Kamdar** is a graduate in Commerce from Mumbai University. He was conferred Honorary Doctorate in Business Philosophy from Burkes University. He has extensive experience and possesses expertise in the fields of pipes, steel and other related products used in engineering, pharmaceutical, chemical and petrochemical industries.

Shri Kamdar is a Director of the Company since 23rd July, 1990. He was appointed as a Whole-time Director designated as "Executive Director - Commercial" of the Company with effect from 1st July, 1993. He was re-appointed in the same capacity with effect from 1st July, 1998 and again with effect from 1st July, 2003. He ceased to be a Whole-time Director of the Company with effect from 27th February, 2006. He was elected as the Chairman of the Board of Directors of the Company with effect from 27th February, 2006. Since then he continues to be on the Board of Directors of the Company as Chairman of the Board and a Director liable to retire by rotation. He is a Member of the Shareholders' / Investors' Grievance Committee of the Company.

Shri Kamdar is also on the Board of Reliance Gas Transportation Infrastructure Limited, The Indian Film Combine Private Limited and Westward Realty Private Limited. He is a Member of the Audit Committee of Reliance Gas Transportation Infrastructure Limited.

Shri Kamdar holds 482 shares of the Company in his name as on 31st March, 2012.

(b) **Shri Chandra Raj Mehta** is a Chartered Accountant and Company Secretary. He has had a distinguished career with the Government holding senior level positions in different capacities. He was Member of the Company Law Board and was also Regional Director, Ministry of Corporate Affairs. He has rich experience in Corporate Laws, Finance and Administration.

Shri Mehta is a Director of the Company since 29th August, 2006. He is the Chairman of the Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee of the Company.

Shri Mehta is also on the Board of Fortune Financial Services (India) Limited. He is also the Member of the Shareholders' / Investors' Grievance Committee, the Audit Committee and

the Remuneration Committee of Fortune Financial Services (India) Limited.

Shri Mehta does not hold any share of the Company in his name as on 31st March, 2012.

(c) **Shri Sandeep H. Junnarkar** is a Science graduate with a postgraduate degree in Law. He qualified as a Solicitor in the year 1977. He has had a brilliant academic career and is a Partner in the law firm, Messrs Junnarkar & Associates. His areas of specialization include banking laws, corporate laws including monopolies laws, exchange control laws and securities regulations.

Shri Junnarkar is a Director of the Company since 27th April, 1991. He is a Member of the Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee of the Company.

Shri Junnarkar is also on the Board of Everest Industries Limited, Excel Crop Care Limited, IL&FS Infrastructure Development Corporation Limited, Jai Corp Limited, Jai Realty Ventures Limited, Reliance Industrial Investments and Holdings Limited, Reliance Ports and Terminals Limited, Sterlite Industries (India) Limited and Sunshield Chemicals Limited. He is also a Committee Member of the Bombay Incorporated Law Society (a Company incorporated under Section 25 of the Companies Act, 1956). He is the Chairman of the Shareholders' / Investors' Grievance Committee of Sterlite Industries (India) Limited. He is a Member of the Audit Committee of Everest Industries Limited and Sterlite Industries (India) Limited. He is also a Member of the Remuneration Committee of Everest Industries Limited, Excel Crop Care Limited and IL&FS Infrastructure Development Corporation Limited.

Shri Junnarkar does not hold any share of the Company in his name as on 31st March, 2012.

(d) **Shri S. C. Malhotra** graduated in Mechanical Engineering from Banaras Hindu University. He has more than 45 years' experience in execution of projects related to chemical / petrochemical and petroleum industries.

Shri Malhotra is a Director of the Company since 16th December, 1989. He was appointed as a Whole-time Director designated as "Executive Director - Technical" of the Company with effect from 1st July, 1993. He ceased to be Whole-time Director with effect from 28th June, 1997. Since then he continues to be on the Board of Directors of the Company as a Director liable to retire by rotation. He is a Member of the Audit Committee and the Remuneration Committee of the Company.

Shri Malhotra is on the Board of Reliance Ports and Terminals Limited. He is also a Member of the Audit Committee of Reliance Ports and Terminals Limited.

Shri Malhotra does not hold any share of the Company in his name as on 31st March, 2012.

(e) **Shri Dilip V. Dherai** is a Chemical Engineer (B. Chem Engg.) from the University Department of Chemical Technology (UDCT), Mumbai having graduated in the year 1979. He has vast experience / expertise in activities related to implementation and commissioning of large projects.

Shri Dherai is a Director of the Company since 1st July, 1994. He was appointed as a Whole-time Director designated



as “Executive Director - Projects” with effect from 1st July, 1994. He was re-appointed in the same capacity with effect from 1st July, 1999 and again with effect from 1st July, 2004. He was re-appointed as a Whole-time Director designated as Executive Director with effect from 1st July, 2009, for a period of five years. He does not hold any membership of a Board Committee of the Company.

Shri Dherai is on the Board of Mumbai SEZ Limited and Indigo Commercials Private Limited. He does not hold any membership of a Board Committee of any other Company.

Shri Dherai holds 1,700 shares of the Company in his name as on 31st March, 2012.

3. Board Meetings, Board Committee Meetings and Procedures

(a) Institutionalised decision making process

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Executive Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

The internal Guidelines of the Company for Board / Board Committee meetings facilitate the decision making process at the Meetings of the Board / Board Committees in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines at the Company.

(b) Scheduling and selection of Agenda Items for Board Meetings

- (i) Minimum four pre-scheduled Board Meetings are held every year. 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) All 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 / 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 / Board Committee Meetings.
- (iii) The Board is given presentations / briefed on areas covering operations of the Company, business environment, business opportunities, business strategy and risk management practices before taking on record the quarterly / annual financial results of the Company.
- (iv) The information required to be placed before the Board includes :
 - General notices of interest of Directors.
 - Appointment, remuneration and resignation of Directors.
 - Formation / Reconstitution of Board Committees.
 - Terms of reference of Board Committees.
 - Business plans, capital budgets and any updates.

- Minutes of the Board meetings of unlisted subsidiary companies, if any.
- Minutes of Meetings of Audit Committee and other Committees of the Board, as also Resolutions passed by circulation.
- Quarterly results for the Company.
- Annual Financial results of the Company, Report of the Board of Directors and Auditors’ Report.
- Appointment of Directors in place of those retiring by rotation.
- Appointment and the fixing of the remuneration of the Auditors as recommended by the Audit Committee.
- Appointment or resignation of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product 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.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources front.
- Sale of material nature of investments, subsidiaries and assets which is not in normal course of business.
- Statement of significant transactions and arrangements entered by unlisted subsidiary companies, if any.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc.
- Quarterly summary of all long term borrowings made, bank guarantees issued, loans and investments made.
- Internal Audit findings and External Audit Reports (through the Audit Committee).
- Significant changes in accounting policies and internal controls.
- Status of business risk exposures, its management and related action plans.

- Disclosure by Senior Management relating to all material financial and commercial transactions having personal interest, if any.
 - Laying down the procedures to inform about the risk assessment and minimization procedures of the Company.
 - Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.
 - Compliance Certificate certifying compliance with all laws applicable to the Company.
 - Making of loans and investment of surplus funds.
 - Proposals for investment, mergers and acquisitions.
 - Recommendation / declaration of Dividend.
 - Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.
 - Brief on information disseminated to the press.
- (v) The Chairman of the Board and the Company Secretary in consultation with other concerned team members of the senior management, finalise the agenda papers for the Board meetings.

(c) Board material distributed in advance

The 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 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. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

(d) Recording Minutes of proceedings at Board and Board Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Board Committee meeting. Draft minutes are circulated to all the Members of the Board / Board Committee for their comments. The minutes are

entered in the Minutes Book within 30 days from the conclusion of the meeting.

(e) Post meeting follow-up mechanism

The Guidelines for the Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Board Committees thereof. The important decisions taken at the Board / Board Committee meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions / minutes of the previous meeting(s) is placed at the immediately succeeding Meeting of the Board / Board Committee for noting by the Board / 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 the Secretarial Standards recommended by the Institute of Company Secretaries of India.

4. Number of Board meetings held and the dates on which held

Five Board meetings were held during the year as against the minimum requirement of four meetings. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two Meetings was not more than four months. The details of the Board Meetings are as under :

Sr. No.	Date	Board Strength	No. of Directors Present
1.	14th April, 2011	5	5
2.	30th June, 2011	5	5
3.	20th July, 2011	5	4
4.	14th October, 2011	5	5
5.	16th January, 2012	5	5

5. Attendance of Directors at Board meetings, last Annual General Meeting (AGM) and number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in various companies :

Name of the Director	Attendance at Meetings during 2011-12		No. of Other Directorship(s)*	No. of Membership(s) / Chairmanship(s) of Board Committees in Other Companies **
	Board Meetings	Last AGM		
Mahesh K. Kamdar	4	Yes	1	1
Chandra Raj Mehta	5	Yes	1	2
Sandeep H. Junnarkar	5	Yes	9	3 (including 1 as Chairman)
S. C. Malhotra	5	Yes	1	1
Dilip V. Dherai	5	Yes	1	Nil

* The Directorships held by Directors, as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

** In accordance with Clause 49, Membership(s) / Chairmanship(s) of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all public limited companies (excluding Reliance Industrial Infrastructure Limited) have been considered.



6. Board Committees

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

(a) Audit Committee

Composition : The Audit Committee of the Board, comprises two Independent Non-Executive Directors namely Shri Chandra Raj Mehta, Chairman and Shri Sandeep H. Junnarkar and one Non-Independent Non-Executive Director, namely Shri S. C. Malhotra. All the Members of the Committee possess financial / accounting expertise / exposure. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Objective : The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including cost auditors, the performance of internal auditors and the Company's risk management policies.

Terms of Reference: The terms of reference / powers of the Audit Committee are as under :

(i) Powers of the Audit Committee

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

(ii) The role of the Audit Committee includes

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors including Cost Auditors and fixation of audit fees.
- Approval of payment to Statutory Auditors including Cost Auditors for any other services rendered by them.
- 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 judgment by the 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; and
- Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
- Reviewing with the management, the performance of Statutory Auditors including Cost Auditors and Internal Auditors, adequacy of the internal control systems.
- 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.
- Discussion with Internal Auditors, any significant findings and follow up thereon.
- 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.
- Discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the Company.
- To review the following information :
 - The management discussion and analysis of financial condition and results of operations;
 - 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.
- Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries, if any, of the Company.

Meetings : Five meetings of the Audit Committee were held during the year.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Chandra Raj Mehta	5	5
Sandeep H. Junnarkar	5	5
S. C. Malhotra	5	5

General

Executives of Accounts Department, Secretarial Department, Management Audit Cell and Representatives of the Statutory and Internal Auditors attended the Audit Committee Meetings.

The due date for filing the Cost Audit Report for the financial year ended 31st March, 2012 is 30th September, 2012.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

(b) Remuneration Committee

Composition : The Remuneration Committee of the Board, comprises two Independent Non-Executive Directors, namely Shri Chandra Raj Mehta, Chairman and Shri Sandeep H. Junnarkar and one Non-Independent Non-Executive Director, namely, Shri S. C. Malhotra.

Terms of Reference : The Remuneration Committee has been constituted to recommend / review the remuneration of the Managing Director(s) / Whole-time Director(s).

Meetings : No Meeting of the Remuneration Committee was held during the year.

Remuneration policy, details of remuneration and other terms of appointment of Directors :

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

The Whole-time Director is paid remuneration as per the terms duly approved by the Remuneration Committee of Directors, the Board of Directors and the Members in General Meeting.

The aggregate value of salary, allowances and perquisites paid for the year ended 31st March, 2012 to Shri Dilip V.

Dherai (re-appointed as a Whole-time Director designated as Executive Director with effect from 1st July, 2009 for a period of 5 years) was ₹ 17.97 lakh (salary and allowances ₹ 16.31 lakh, perquisites ₹ 0.43 lakh and contribution to provident fund ₹ 1.23 lakh).

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

Office of the Executive Director may be terminated by the Company or the Executive Director by giving, the other, three months prior notice of termination in writing.

The Company pays sitting fees to all the Directors other than the Executive Director, at the rate of ₹ 20,000/- for attending each Meeting of the Board and / or Committee thereof. Sitting Fees to Non-Executive Directors was increased from ₹ 10,000/- to ₹ 20,000/- during the year. Sitting fees paid for the year ended 31st March, 2012, are as follows :

Shri Mahesh K. Kamdar : ₹ 1,10,000/-, Shri Chandra Raj Mehta : ₹ 2,00,000/-, Shri Sandeep H. Junnarkar : ₹ 2,00,000/- and Shri S. C. Malhotra : ₹ 1,40,000/-.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

(c) Shareholders' / Investors' Grievance Committee

Composition : The Shareholders' / Investors' Grievance Committee of the Board, comprises three Independent Non-Executive Directors, namely Shri Chandra Raj Mehta, Chairman, Shri Sandeep H. Junnarkar and Shri Mahesh K. Kamdar.

Terms of reference : The Shareholders' / Investors' Grievance Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of shareholders' / investors' complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividend, etc. The Committee oversees performance of the Share Transfer Agent of the Company 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 the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Meetings : Four Meetings of the Shareholders' / Investors' Grievance Committee (SIGC) were held during the year.

Attendance of each Member at the SIGC meetings held during the year

Name of the Committee Member	No. of meetings held	No. of meetings attended
Chandra Raj Mehta	4	4
Mahesh K. Kamdar	4	3
Sandeep H. Junnarkar	4	4



Compliance Officer : Shri N. Shanker, Company Secretary and Compliance Officer, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

Investor Grievance Redressal

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

Type of Complaints	No. of Complaints
Non-receipt of Annual Reports	3
Non-receipt of Dividend Warrants	18
Non-receipt of Share Certificates	3
Total	24

There were no outstanding complaints as on 31st March, 2012. One request for Transfer and one request for Dematerialisation were pending for approval as on 31st March, 2012, which were processed / approved by 2nd April, 2012.

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.

Shri N. Shanker, Company Secretary and Compliance Officer is the Secretary of all Board Committees.

7. Code of Business Conduct and Ethics for Directors and Management Personnel

The Board vide Resolution passed on 26th December, 2005, adopted the Code of Business Conduct and Ethics for Directors and Management Personnel ('the Code'). This Code is a comprehensive Code applicable to all Directors and Management Personnel. 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 Management Personnel 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."

A copy of the Code has been put on the Company's corporate website : www.riil.in.

The Code has been circulated to all the members of the Board and Management Personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Executive Director (Chief Executive Officer) is given below :

I hereby confirm that the Company has obtained, from all the Members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Management Personnel in respect of the financial year 2011-12.

Dilip V. Dherai
Executive Director

8. Subsidiary Monitoring Framework

The Company did not have subsidiaries during the year. Hence, the provisions relating to "Subsidiary Companies" in Clause 49 of the Listing Agreement for the purposes of compliance are not applicable to the Company.

9. General Body Meetings

(i) Annual General Meetings

The Annual General Meetings of the Company during the preceding three years were held at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020.

The date and time of the Annual General Meetings held during the preceding three years and the special resolution(s) passed thereat are as follows:

Year	Date	Time	Special Resolution Passed
2010-11	30th June, 2011	11.00 a.m.	Nil
2009-10	4th August, 2010	11.30 a.m.	Nil
2008-09	1st September, 2009	11.30 a.m.	Nil

(ii) Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2011-12. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through 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 and the Management, their relatives or subsidiaries, 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 Note No. 24 of Notes on Financial Statements, forming part of the Annual Report.

The Company's related party transactions are generally with its Associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialisation and the Company's long-term strategy for

sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of Associates.

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

(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

- (a) **Quarterly Results :** Quarterly Results are published in 'Financial Express' and 'Navshakti' and are displayed on the Company's corporate website: www.riil.in.
- (b) **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. The Management Discussion and Analysis Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's corporate website: www.riil.in.

- (c) **Reminder to Investors :** Reminders for unclaimed shares and unpaid dividend are sent to the shareholders as per records every year.
- (d) **Media Releases:** Official Media Releases are sent to the Stock Exchanges.
- (e) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.
- (f) **SEBI Compliant Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (g) **Website :** The Company's corporate website: www.riil.in contains a separate dedicated section, 'Investor Relations', where information for shareholders is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- (h) **Designated Exclusive email-id :** The Company has designated the following email-ids exclusively for investor servicing :
- (i) For queries on Annual Report : investor_relations@riil.in
- (ii) For queries in respect of shares in physical mode : riilnkm@karvy.com

12. General Shareholder Information

- (a) **Company Registration Details** The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L60300MH1988PLC049019.
- (b) **Annual General Meeting (Day, Date, Time and Venue)** Thursday, 5th July, 2012 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020.
- (c) **Financial year** 1st April 2012 to 31st March 2013
- (d) **Financial Calendar (Tentative)**
- | | |
|------------------------------------|-------------------------------|
| Results for quarter ending: | |
| 30th June, 2012 | - Third week of July, 2012 |
| 30th September, 2012 | - Third week of October, 2012 |
| 31st December, 2012 | - Third week of January, 2013 |
| 31st March, 2013 | - Third week of April, 2013 |
| Annual General Meeting | - July, 2013 |
- (e) **Book Closure Period** Wednesday, 30th May, 2012 to Tuesday, 5th June, 2012 (both days inclusive) for payment of dividend.
- (f) **Dividend Payment Date** Credit / dispatch of dividend warrants on 6th July, 2012.
- (g) **Listing of Equity Shares at**
- (i) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 523445
- (ii) National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Trading Symbol: RIIL ISIN: INE046A01015
- (h) **Payment of Listing Fees** Annual Listing Fee for the year 2012-13 (as applicable) has been paid by the Company to BSE and NSE.
- (i) **Payment of Depository Fees** Annual Custody / Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.

**(j) Share Price Data**

Month	Bombay Stock Exchange (BSE) (in ₹ per share)		National Stock Exchange (NSE) (in ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2011	728.40	601.00	728.35	627.00
May 2011	641.10	530.60	639.40	530.15
June 2011	599.00	500.35	598.05	503.80
July 2011	571.40	512.00	575.90	509.00
August 2011	523.70	373.00	522.95	371.10
September 2011	476.40	394.15	476.00	396.30
October 2011	427.70	377.15	427.75	376.65
November 2011	439.45	337.15	439.90	337.00
December 2011	370.00	272.40	368.45	276.20
January 2012	464.80	282.40	464.50	282.20
February 2012	565.00	436.50	565.00	436.50
March 2012	517.00	414.25	516.95	415.00

(k) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty as on 31st March, 2012

	BSE (% change)		NSE (% change)	
	RIL	Sensex	RIL	Nifty
Financial Year 2011-12	-31.23	-10.50	-31.34	-9.23
2 years	-46.49	-0.70	-46.54	0.88
3 years	49.62	79.27	49.25	75.29
5 years	9.88	33.14	9.90	38.57

(l) Share Transfer Agent

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081, India
Tel. : +91 40 4465 5070 - 5099
Toll Free No. : 1800 425 8998
Fax : +91 40 2311 4087
e-mail : riilnkm@karvy.com
Website : www.karvy.com

List of Investor Service Centres of Karvy Computershare Private Limited has been put on the Company's corporate website : www.riil.in.

(m) Share Transfer System

Share transfers are processed and share certificates duly endorsed are 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 the transfer, transmission etc. of the Company's shares to the Executive Director / Company Secretary. A summary of transfer / transmission of shares of the Company so approved by the Executive Director / Company Secretary is placed at every Board Meeting / Shareholders' / Investors' Grievance Committee. 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 and files a copy of the said certificate with the Stock Exchanges.

(n) Distribution of Shareholding as on 31st March, 2012

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
(A)	Shareholding of Promoter and Promoter Group¹			
(1)	Indian	1	68 60 064	45.43
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	1	68 60 064	45.43
(B)	Public Shareholding¹			
(1)	Institutions	20	35 400	0.23
(2)	Non-institutions	1 15 451	82 04 536	54.33
	Total Public Shareholding	1 15 471	82 39 936	54.57
	Total (A) + (B)	1 15 472	1 51 00 000	100.00

¹For definitions of "Promoter Shareholding", "Promoter Group" and "Public Shareholding" refer to Clause 40A of Listing Agreement.

(o) Top 10 Shareholders as on 31st March, 2012

Sr. No.	Name of the Shareholder(s)	No. of Shares	% to total Shares
1	Reliance Industries Limited	68 60 064	45.43
2	Reliance Capital Limited	1 60 100	1.06
3	Angel Broking Limited	65 918	0.44
4	Neeraj Batra	49 862	0.33
5	Sharekhan Limited	43 290	0.29
6	Jayantilal Premji Shah	36 000	0.24
7	Religare Securities Limited	31 961	0.21
8	Sanjay Gulabchand Bafna	31 700	0.21
9	Globe Capital Market Limited	30 904	0.20
10	Bonanza Portfolio Limited	30 703	0.20

(p) Shareholding Pattern by Size as on 31st March, 2012

Sr. No.	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total Shares	Holders	Shares	% to total Shares	Holders	Shares	% to total Shares
1	01 - 100	1 00 385	26 20 521	17.35	4 441	4 43 288	2.94	1 04 826	30 63 809	20.29
2	101 - 500	8 580	19 56 764	12.96	410	1 09 700	0.73	8 990	20 66 464	13.69
3	501 - 1000	932	7 07 785	4.69	26	20 400	0.14	958	7 28 185	4.82
4	1001 - 5000	594	11 91 350	7.89	14	22 000	0.15	608	12 13 350	8.04
5	5001 - 10000	55	3 70 858	2.46	2	15 800	0.10	57	3 86 658	2.56
6	10001 - 50000	30	5 55 452	3.68	0	0	0.00	30	5 55 452	3.68
7	50001 - 100000	1	65 918	0.44	0	0	0.00	1	65 918	0.44
8	100001 & Above	2	70 20 164	46.49	0	0	0.00	2	70 20 164	46.49
	Total	1 10 579	1 44 88 812	95.95	4 893	6 11 188	4.05	1 15 472	1 51 00 000	100.00

(q) Geographical Distribution of Shareholders as on 31st March, 2012

Sr. No.	Name of the City	Electronic				Physical				Total			
		Holders	% to total Holders	Shares	% to total Shares	Holders	% to total Holders	Shares	% to total Shares	Holders	% to total Holders	Shares	% to total Shares
1	MUMBAI	22 458	19.45	94 03 117	62.27	1 358	1.18	1 92 387	1.27	23 816	20.62	95 95 504	63.55
2	DELHI	7 054	6.11	8 30 789	5.50	281	0.24	44 200	0.29	7 335	6.35	8 74 989	5.79
3	AHMEDABAD	6 238	5.40	4 15 876	2.75	371	0.32	39 700	0.26	6 609	5.72	4 55 576	3.02
4	KOLKATA	5 116	4.43	4 30 680	2.85	151	0.13	18 900	0.13	5 267	4.56	4 49 580	2.98
5	PUNE	3 200	2.77	1 94 787	1.29	57	0.05	6 900	0.05	3 257	2.82	2 01 687	1.34
6	BENGALURU	2 914	2.52	1 59 761	1.06	121	0.10	12 901	0.09	3 035	2.63	1 72 662	1.14
7	VADODARA	2 742	2.37	1 47 072	0.97	146	0.13	15 800	0.10	2 888	2.50	1 62 872	1.08
8	CHENNAI	2 364	2.05	1 50 647	1.00	149	0.13	15 700	0.10	2 513	2.18	1 66 347	1.10
9	HYDERABAD	1 820	1.58	1 61 491	1.07	91	0.08	9 700	0.06	1 911	1.65	1 71 191	1.13
10	OTHERS	56 673	49.08	25 94 592	17.18	2 168	1.88	2 55 000	1.69	58 841	50.96	28 49 592	18.87
	Total	1 10 579	95.76	1 44 88 812	95.95	4 893	4.24	6 11 188	4.05	1 15 472	100.00	1 51 00 000	100.00

**(r) Corporate Benefits to Investors****Dividend declared for the last 10 years**

Financial Year	Dividend Declaration Date	Dividend per share* (₹)
2010-11	30th June, 2011	3.50
2009-10	4th August, 2010	3.50
2008-09	1st September, 2009	3.50
2007-08	2nd July, 2008	3.50
2006-07	10th March, 2007	3.50
2005-06	12th July, 2006	3.50
2004-05	16th September, 2005	3.20
2003-04	25th September, 2004	3.20
2002-03	6th September, 2003	3.20
2001-02	25th June, 2002	3.20

* Share of paid-up value of ₹ 10/- each.

(s) Dematerialisation of Shares

Mode of Holding	% of Share Capital
Electronic - NSDL	80.46
Electronic - CDSL	15.49
Physical	4.05

95.95% of the Company's Paid up Equity Share Capital has been dematerialised upto 31st March, 2012 (95.82% upto 31st March, 2011). Trading in Equity Shares of the Company is permitted only in dematerialised form.

(t) Liquidity

The higher trading activity is witnessed on NSE. Relevant data for the average daily turnover for the financial year 2011-12 is given below :

	BSE	NSE	TOTAL
Shares (nos.)	1 40 222	3 08 866	4 49 088
Value (in ₹ crore)	7.06	15.44	22.50

[Source : This information is compiled from the data available from the websites of BSE and NSE]

(u) Outstanding GDRs / Warrants and Convertible Instruments

The Company has not issued any GDRs / Warrants or any other instrument, which is convertible into Equity Shares of the Company.

(v) Plant Locations

The Company is mainly engaged in Infrastructure Activity in India. The Company is also engaged in related activities involving leasing and providing services connected with computer software and data processing. Therefore, the Company does not have any manufacturing plant.

(w) 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
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081, India
Tel. : +91 40 4465 5070 - 5099
Toll Free No. : 1800 425 8998
Fax : +91 40 2311 4087
e-mail : riilnkm@karvy.com
Website : www.karvy.com

For Shares held in Demat form

Investors' concerned Depository Participant(s) and / or Karvy Computershare Private Limited.

(ii) Any query on Annual Report

Shri N. Shanker
Company Secretary and Compliance Officer
Reliance Industrial Infrastructure Limited
NKM International House, 5th Floor,
178 Backbay Reclamation,
Behind LIC Yogakshema Building,
Babubhai Chinai Road,
Mumbai - 400 020.
e-mail: investor_relations@riil.in

(x) Transfer of unpaid /unclaimed amount of Dividend to Investor Education and Protection Fund

During the year under review, the Company has credited a sum of ₹ 4.80 lakh, lying in the unpaid /unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) established pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

The cumulative amount transferred to IEPF upto 31st March, 2012 was ₹ 56.88 lakh.

(y) Equity Shares in the Suspense Account

The Company has no cases as are referred to in Clause 5A(I) of the Listing Agreement.

In terms of Clause 5A(II) of the Listing Agreement, the Company has dematerialized and transferred 1,000 equity shares of the Company issued in physical form to 6 shareholders and remaining unclaimed, to the 'Reliance Industrial Infrastructure Limited – Unclaimed Suspense Account'. No shares were transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the Unclaimed Suspense Account as on 31st March, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

13. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, Messrs Chaturvedi & Shah, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is annexed with the Directors' Report forming part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the shares of the Company are listed.

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

The Company has complied with all the mandatory requirements of Clause 49 and has adopted 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 Whole-time Director(s).

(b) Communication to Shareholders :

Half yearly Reports covering financial results were sent to members at their registered addresses.

(c) Audit Qualification :

The Company is in the regime of unqualified financial statements.

(d) Training of Board Members :

The Board members are provided with the necessary documents, reports and internal policies to enable them to

familiarize with the Company's procedures and practices.

Periodic presentations / briefings are made at the Board and Committee Meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are circulated to the Directors.

(e) Whistle Blower Policy :

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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 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. CEO and CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company, in terms of Clause 49 of the Listing Agreement, give annual certification on financial reporting and internal controls to the Board and in terms of Clause 41 of the Listing Agreement give quarterly certification on financial results while placing the financial results before the Board.