



Nineteenth Annual Report  
2006-2007

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# Company Information

## Board of Directors

Mahesh K. Kamdar Chairman

Chandra Raj Mehta

Sandeep H. Junnarkar

Bharat C. Gosalia

S. C. Malhotra

Dilip V. Dherai Executive Director

## Company Secretary

Swatantra Kumar Sethi

## Audit Committee

Chandra Raj Mehta Chairman

Sandeep H. Junnarkar

S. C. Malhotra

## Shareholders' / Investors' Grievance Committee

Chandra Raj Mehta Chairman

Sandeep H. Junnarkar

Bharat C. Gosalia

## Remuneration Committee

Chandra Raj Mehta Chairman

Sandeep H. Junnarkar

S. C. Malhotra

## Auditors

Chaturvedi & Shah

## Solicitors & Advocates

Kanga & Co.

## Bankers

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Syndicate Bank

## Registered Office

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

Phone : 022 - 6767 1871

Fax : 022 - 6663 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 Nineteenth Annual General Meeting of the Members of Reliance Industrial Infrastructure Limited will be held on **Thursday, 12th July, 2007 at 11.30 a.m., at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020**, to transact the following businesses :

### Ordinary Business :

1. To consider and adopt the audited Balance Sheet as at 31st March 2007, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sandeep H. Junnarkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 Messrs 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.”

### Special Business :

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Shri Chandra Raj Mehta, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors

**Swatantra Kumar Sethi**  
Company Secretary

**Mumbai,**

Dated : **9th June, 2007**

### Registered Office :

NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
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 the Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the 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 Number 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. The Board of Directors at its meeting held on 10th March, 2007, declared payment of interim dividend of Rs. 3.50 per Equity Share for the financial year 2006-07. The dividend was paid to the Members of the Company as on the Record Date (i.e. 22nd March, 2007) fixed for the purpose.
7. The Register of Members and Transfer Books of the Company will remain closed from **Wednesday, 4th July, 2007 to Wednesday, 11th July, 2007 (both days inclusive)** for the purpose of the Annual General Meeting.
8. The Company has transferred all 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 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.

9. 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 1994-95 to 1998-99 to the **Investor Education and Protection Fund (IEPF)** established by the Central Government. The unpaid / unclaimed dividend for the financial year 1999-2000 shall be transferred to IEPF on or before 21st June, 2007. Dividends for the financial year ended 31st March, 2001 and thereafter, which remain unpaid / unclaimed for a period of 7 years from the date they became due for payment 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 the 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 claim shall lie against the Company or IEPF 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.**

10. 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.
11. 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.

12. 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, Karvy Computershare Private Limited, for consolidation into a single folio.

13. 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.

**14. Re-appointment of Director:**

In terms of the Articles of Association of the Company, Shri Sandeep H. Junnarkar retires by rotation, and being eligible, offers himself for re-appointment.

A brief resume of Shri Sandeep H. Junnarkar, 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 provided in the Report on Corporate Governance forming part of the Annual Report.

The Board of Directors of the Company commends his re-appointment.

Shri Sandeep H. Junnarkar does not hold any share in the Company as on 31st March, 2007.

15. **Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**
16. **An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No.4**

The Board of Directors of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 129 of the Articles of Association of the Company, appointed Shri Chandra Raj Mehta, as an Additional Director of the Company with effect from 29th August, 2006.

In terms of the provisions of Section 260 of the Act, Shri Chandra Raj Mehta, would hold office upto the date of this Annual General Meeting.

The Company has received a Notice in writing from a member alongwith a deposit of Rs. 500/-, proposing

the candidature of Shri Chandra Raj Mehta for the office of Director of the Company, under the provisions of Section 257 of the Act.

Shri Chandra Raj Mehta, is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act and has complied with the requirements of obtaining Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite Form 'DD-A' from Shri Chandra Raj Mehta, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Shri Chandra Raj Mehta has rich experience in Corporate Laws, Finance and Administration. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Shri Chandra Raj Mehta is appointed as a Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Shri Chandra Raj Mehta, 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 provided in the Report on Corporate Governance forming part of the Annual Report.

Shri Chandra Raj Mehta does not hold any share in the Company as on 31st March, 2007.

The Board commends the resolution set out at Item No. 4 of the Notice for your approval.

Save and except Shri Chandra Raj Mehta, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors

**Swatantra Kumar Sethi**  
Company Secretary

**Mumbai,**

**Dated : 9th June, 2007**

**Registered Office :**

NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
Babubhai Chinai Road,  
Mumbai - 400 020

## Directors' Report

Dear Members,

Your Directors are pleased to present the 19th Annual Report and the Audited Accounts for the year ended 31st March, 2007.

### Financial Results

The performance of the Company for the financial year ended 31st March, 2007 is summarised below :

	(Rs in Crore)	
	2006-2007	2005-2006
Gross Profit before interest and depreciation	40.93	45.23
Less : Interest	7.40	7.02
Depreciation & Impairment	7.25	16.07
Less : Transfer from General Reserve	1.36	1.72
	5.89	14.35
<b>Profit before Tax</b>	<b>27.64</b>	<b>23.86</b>
Less : Provision for Taxation		
– Current Tax	11.99	10.05
– Deferred Tax	(3.46)	(4.65)
	8.53	5.40
<b>Profit after Tax</b>	<b>19.11</b>	<b>18.46</b>
<b>Add : Balance in Profit and Loss Account</b>	<b>17.07</b>	<b>24.15</b>
<b>Amount Available for Appropriations</b>	<b>36.18</b>	<b>42.61</b>
<b>Appropriations :</b>		
Debenture Redemption Reserve	1.53	1.52
General Reserve	10.00	18.00
Interim Dividend on Equity Shares	5.28	-
Proposed Dividend on Equity Shares	-	5.28
Tax on Dividend	0.74	0.74
Balance carried to Balance Sheet	18.63	17.07
	36.18	42.61

### Dividend

Your Directors had declared an Interim Dividend of Rs. 3.50 per Equity Share of Rs. 10/- each for the financial year 2006-07, which was paid to the Members of the Company as on the Record Date (i.e., 22nd March, 2007) fixed for the purpose.

Your Directors have considered the interim dividend paid, as the final dividend for the financial year 2006-07.

The total cash outflow on account of this dividend including tax on dividend was Rs. 6.02 crore.

The Company has consistently paid dividend since the financial year 1991-92.

### Management's Discussion and Analysis

#### Financial and Operational Review :

Certain changes in the business model made during the year for moving away from some of the activities which were of low profitability have resulted in an

apparent drop in the turnover and increase in other income. The Company earned a gross income of Rs. 73.67 crore during the financial year 2006-07 compared to Rs. 75.35 crore in the previous year.

Interest expenditure for the year under review marginally increased to Rs. 7.40 crore from Rs. 7.02 crore in the previous year.

Depreciation and impairment for the year was Rs. 5.89 crore.

Though the gross profit for the year was at Rs. 40.93 crore as against Rs. 45.23 crore in the previous year, the Company has earned a higher net profit of Rs. 19.11 crore for the year as compared to Rs. 18.46 crore in the previous year.

The return on equity was 15.3% as compared to 16.4% in the previous year and return on capital employed was 11.1% as compared to 11.2% in the previous year.

Earning per Share was Rs. 12.66 as compared to Rs. 12.22 in the previous year.

#### Resources and Liquidity :

The debt to equity ratio of the Company is 0.87:1 as at 31st March, 2007 as compared to 0.96:1 as at 31st March, 2006. The Company's long term debt is Rs. 114 crore as on 31st March, 2007.

The Company's networth as on 31st March, 2007 was Rs. 136.72 crore, with paid-up capital of Rs. 15.10 crore and accumulated reserves and surplus of Rs. 121.62 crore.

#### Industry Structure and Developments :

The infrastructure related project and construction industry in India is 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 economic prosperity of our nation depends on the development of infrastructure such as roads, ports, electricity, telecommunications and urban infrastructure. 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 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 9% and remained one of the fastest growing economies in the world. Government of India continues to provide, in its annual budget, for major expenditure outlays on infrastructure like highways and ports.

Reliance Industries Limited, the Promoter of the Company, is making substantial investments in setting up of a new refinery targeted for export markets, exploration and production of oil and gas and Special Economic Zone based infrastructure. This is expected to provide new growth opportunities for 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 will continue 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 the overall risk management strategy, the Company consistently insures its assets and operations against a 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 system.

**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 137 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 Satyapal Jain resigned from the office of Director of the Company with effect from 1st September, 2006. Your Directors record their deep appreciation for the valuable contribution made by him to the Company during his tenure as Director of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company, Shri Chandra Raj Mehta was appointed as an Additional Director on the Board with effect from 29th August, 2006. He shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Shri Chandra Raj Mehta for the office of Director, liable to retire by rotation.

In terms of Article 143 of the Articles of Association, Shri Sandeep H. Junnarkar retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Brief Resume of the Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report.

**Promoter Group Companies**

Pursuant to an intimation from Promoter i.e. Reliance Industries Limited (RIL), names of Promoters and companies comprising the "group" as defined in the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969, have been disclosed in the Annual Report of the Company.

**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, 2007, 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, 2007 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;
- iv. the Directors have prepared the accounts for the financial year ended 31st March, 2007 on a "going concern" basis.

**Auditors**

Messrs Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

**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 31st March, 2007. 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, the Depositories Act, 1996, 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 Stock Exchanges.

#### **Particulars of Employees**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. A member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo**

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. 16.93 lac.

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

Pursuant to the provisions of Section 205A of the Companies Act, 1956, the declared dividends which

remained unpaid / unclaimed for a period of 7 years has been transferred by the Company to the IEPF established by the Central Government pursuant to Section 205C of the said Act.

#### **Corporate Governance**

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report.

Certificate from the Auditors of the Company, Messrs Chaturvedi & Shah confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

#### **Acknowledgement**

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the Government, Banks, other Business constituents and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Employees of the Company.

For and on behalf of the Board of Directors

**Mahesh K. Kamdar**  
Chairman

Mumbai,  
Dated : 28th April, 2007

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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, 2007, 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.

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Mumbai,  
Dated : 28th April, 2007

## 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 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.

The Company's Governance framework is based on the following main principles :

- Constitution of a Board of Directors of appropriate composition, size and commitment to discharge its responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the Company to all its stakeholders.
- Transparency and accountability.
- Compliance with all the applicable laws and regulations.
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

### 2. Board Composition and Particulars of Directors

#### 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 whom 2 are Independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and the individual shareholding of the Directors as on 31st March, 2007, in the Company, are as follows:

Category	Name of the Director	No. of Shares held as on 31st March, 2007
Non-Independent Non-Executive Chairman	Shri Mahesh K. Kamdar	482
Executive Director	Shri Dilip V. Dherai	1800
Independent Non-Executive Directors	Shri Chandra Raj Mehta Shri Sandeep H. Junnarkar	Nil Nil
Non-Independent Non-Executive Directors	Shri Bharat C. Gosalia Shri S. C. Malhotra	Nil Nil

Brief resume of the Directors who are being appointed or re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of the Board Committees are provided below :

**Shri Chandra Raj Mehta**, aged 68 years 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 a member of the Company Law Board and was also Regional Director, Department of Company Affairs. He has rich experience in Corporate Laws, Finance and Administration. He is the Chairman of the Shareholders'/ Investors' Grievance Committee, Audit Committee and Remuneration Committee of the Company. He is also on the Board of ETC Networks Limited, Fortune Financial Services (India) Limited and Essen Consultants Private Limited. He is the Chairman of the Remuneration Committee and Shareholders'/ Investors' Grievance Committee and a Member of the Audit Committee of ETC Networks Limited. He is also a Member of the Audit Committee and the Remuneration Committee of Fortune Financial Services (India) Limited.

**Shri Sandeep H. Junnarkar**, aged 55 years is a Science graduate with a postgraduate degree in Law. He qualified as a Solicitor in the year 1977. Shri Junnarkar has had a brilliant academic career and is a Partner in the law firm Messrs Junnarkar & Associates. His areas of specialisation include banking laws, corporate laws including monopolies laws, exchange control laws and securities regulations. He is a Member of the Shareholders'/ Investors' Grievance Committee, Audit Committee and Remuneration Committee of the Company. He is also on the Board of Everest Industries Limited, Excel Crop Care Limited, IL&FS Infrastructure Development Corporation Limited, Indian Petrochemicals Corporation Limited, Jai Corp Limited, Reliance Industrial Investments & Holdings Limited, Reliance Ports and Terminals Limited, Sterlite Industries (India) Limited, Sunshield Chemicals Limited and Tilaknagar Industries Limited. He is also a Member of the Bombay Incorporated Law Society (Section 25 Company). He is the Chairman of the Shareholders' / Investors' Grievance Committee of Sterlite Industries (India) Limited and a Member of the Audit Committee of Everest Industries Limited, Indian Petrochemicals Corporation Limited, Sterlite Industries (India) Limited and Tilaknagar Industries Limited and a Member of the Remuneration Committee of Everest Industries Limited and Excel Crop Care Limited.

### 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) 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 / 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.
- (iii) The information placed before the Board includes:
  - Annual operating plans of businesses, capital budgets and any updates.
  - Quarterly results of the Company.
  - Minutes of meetings of Audit Committee and other Committees of the Board, as also 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 towards 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 and assets, which is not in normal course of business.
  - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
  - 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 of 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.

- (iv) 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**

- a. 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.
- b. 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 the 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 made 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	Attendance Particulars		Number of Other Directorships and Committee Memberships/ Chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships**	Committee Chairmanships**
Mahesh K. Kamdar	6	Yes	1	-	-
Chandra Raj Mehta***	3	NA	2	2	3
Satyapal Jain ****	3	Yes	NA	NA	NA
Sandeep H. Junnarkar	6	Yes	10	6	1
Bharat C. Gosalia	6	Yes	-	1	-
S. C. Malhotra	5	Yes	1	1	-
Dilip V. Dherai	6	Yes	-	-	-

Note: NA denotes Not Applicable.

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

\*\* In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of the Public Limited Companies have been considered.

\*\*\* Shri Chandra Raj Mehta was appointed as an Additional Director with effect from 29th August, 2006.

\*\*\*\* Shri Satyapal Jain resigned as a Director with effect from 1st September, 2006.

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

Six Board Meetings were held during the year. 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.	22nd April, 2006	6	6
2.	12th July, 2006	6	6
3.	17th July, 2006	6	6
4.	14th October, 2006	6	6
5.	13th January, 2007	6	6
6.	10th March, 2007	6	5

**6. Board Committees**

Details of the 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 Chandra Raj Mehta and Shri Sandeep H. Junnarkar and 1 (one) Non-Independent Non-Executive Director viz., Shri S. C. Malhotra. All the members of the Committee are

financially literate. The Chairman of the Committee, Shri Chandra Raj Mehta, is a Chartered Accountant and Company Secretary and possesses accounting / financial management expertise. The constitution of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Shri Satyapal Jain, who was the Chairman of the Audit Committee, ceased to be the Chairman/ Member of the Committee consequent to his resignation as a Director of the Company with effect from 1st September, 2006. Shri Satyapal Jain was present at the last Annual General Meeting of the Company held on 12th July, 2006.

Shri Chandra Raj Mehta was nominated by the Board as a Member and Chairman of the Committee, with effect from 1st September, 2006.

Shri Swatantra Kumar Sethi, 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 providing 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 as also Representatives of Internal Auditors and Statutory Auditors attended the Audit Committee Meetings by invitation.

The terms of reference/powers of the Audit Committee have 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 judgment 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;
    - 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**

<b>Name of Member of Audit Committee</b>	<b>No. of Meetings attended</b>
Satyapal Jain - Chairman*	2
Chandra Raj Mehta - Chairman**	2
Sandeep H. Junnarkar	4
S. C. Malhotra	4

\* Shri Satyapal Jain ceased to be the Chairman/ Member of the Committee due to his resignation as a Director of the Company with effect from 1st September, 2006.

\*\* Shri Chandra Raj Mehta was appointed as a Member and Chairman of the Committee, with effect from 1st September, 2006.

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 :

<b>Sr. No.</b>	<b>Date</b>	<b>Committee Strength</b>	<b>No. of Members Present</b>
1.	22nd April, 2006	3	3
2.	17th July, 2006	3	3
3.	14th October, 2006	3	3
4.	13th January, 2007	3	3

#### **(ii) Remuneration Committee**

The Remuneration Committee constituted by the Board of Directors consists of 2 (two) Independent Non-Executive Directors viz., Shri Chandra Raj Mehta, Shri Sandeep H. Junnarkar and 1 (one) Non-Independent Non-Executive Director viz., Shri S. C. Malhotra. The Remuneration Committee has been constituted to determine/review the remuneration package of the Managing Director(s) / Whole-time Director(s).

Shri Satyapal Jain ceased to be the Chairman/ Member of the Committee due to his resignation as a Director of the Company with effect from 1st September, 2006.

Shri Chandra Raj Mehta was appointed as a Member and the Chairman of the Committee, with effect from 1st September, 2006.

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 Director is paid remuneration as per the Agreement entered into between him and the Company and is duly approved by the Remuneration Committee of Directors, the Board of Directors and the Members in General Meeting.

No meeting of the Remuneration Committee was required to be held during the year.

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

The aggregate value of salary, allowances and perquisites paid for the year ended 31st March, 2007 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. 17.32 lac (salary and allowances Rs. 17.14 lac, perquisites Rs. 0.18 lac).

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

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

The Company pays sitting fees to all Directors other than the Whole-time Director, 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, 2007, are as follows:-

Shri Mahesh K. Kamdar - Rs. 60,000/-, Shri Satyapal Jain - Rs. 70,000/-, Shri Chandra Raj Mehta - Rs. 70,000/-, Shri Sandeep H. Junnarkar - Rs. 1,40,000/-, Shri Bharat C. Gosalia - Rs. 1,00,000/-, Shri S. C. Malhotra - Rs. 90,000/-.

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

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

The Shareholders' / Investors' Grievance Committee constituted by the Board of Directors comprises of Shri Chandra Raj Mehta, Chairman, Shri Sandeep H. Junnarkar, Director and Shri Bharat C. Gosalia, Director. The Committee, inter alia, approves issue of duplicate share certificates and reviews all matters connected with transfer of securities. The Committee also looks into redressal of shareholders' / investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. 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 the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Shri Satyapal Jain ceased to be the Chairman/ Member of the Committee due to his resignation as a Director of the Company with effect from 1st September, 2006.

Shri Chandra Raj Mehta was appointed as a Member and the Chairman of the Committee, with effect from 1st September, 2006.

The Board has authorised Shri Mahesh K. Kamdar, Chairman of the Board, Shri Bharat C. Gosalia, Director, Shri Dilip V. Dherai, Executive Director and Shri Swatantra Kumar Sethi, 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 Swatantra Kumar Sethi, Company Secretary has been designated by the Board as the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (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.	22nd April, 2006	3	3
2.	17th July, 2006	3	3
3.	14th October, 2006	3	3
4.	13th January, 2007	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	No. of Complaints
Non-Receipt of Annual Reports	5
Non-Receipt of Dividend Warrants	70
Non-Receipt of Certificates	11

There were no outstanding complaints as on 31st March, 2007. One request for transfer and three requests for dematerialisation were pending for approval as on 31st March, 2007, which were approved and dealt with by 2nd April, 2007.

#### **Procedure at Committee Meetings**

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."

Note : The Company is in the process of setting up its own 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 2006-07.

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 Audit Committee. 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.

## 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
2003-04	Ashoka Hall, Arcadia, Behind NCPA (Tata Theatre), Nariman Point, Mumbai - 400 021	Saturday 25.09.2004	11.00 am
2004-05	4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020	Friday 16.09.2005	3.30 pm
2005-06	4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020	Wednesday 12.07.2006	11.00 am

## Note :

1. No Special Resolutions were passed at the Annual General Meetings held for the years 2003-04, 2004-05 and 2005-06.
2. During the year ended 31st March, 2007, there were no resolutions passed by the Company's Members through postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed 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 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 specialisation and the Company's long term strategy for sectoral investments, optimisation 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>	Thursday, 12th July, 2007 at 11.30 a.m At 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020												
<b>b. Financial Calendar</b>	<table> <tr> <td>Financial Year</td><td>April 1 to March 31</td></tr> <tr> <td>Results for Quarter ending 30th June, 2007 (tentative)</td><td>Last week of July, 2007</td></tr> <tr> <td>Results for Quarter/ Half Year ending 30th September, 2007 (tentative)</td><td>Last week of October, 2007</td></tr> <tr> <td>Results for Quarter ending 31st December, 2007 (tentative)</td><td>Last week of January, 2008</td></tr> <tr> <td>Results for Year ending 31st March, 2008 (tentative)</td><td>Last week of April, 2008</td></tr> <tr> <td>Annual General Meeting (tentative)</td><td>July, 2008</td></tr> </table>	Financial Year	April 1 to March 31	Results for Quarter ending 30th June, 2007 (tentative)	Last week of July, 2007	Results for Quarter/ Half Year ending 30th September, 2007 (tentative)	Last week of October, 2007	Results for Quarter ending 31st December, 2007 (tentative)	Last week of January, 2008	Results for Year ending 31st March, 2008 (tentative)	Last week of April, 2008	Annual General Meeting (tentative)	July, 2008
Financial Year	April 1 to March 31												
Results for Quarter ending 30th June, 2007 (tentative)	Last week of July, 2007												
Results for Quarter/ Half Year ending 30th September, 2007 (tentative)	Last week of October, 2007												
Results for Quarter ending 31st December, 2007 (tentative)	Last week of January, 2008												
Results for Year ending 31st March, 2008 (tentative)	Last week of April, 2008												
Annual General Meeting (tentative)	July, 2008												
<b>c. Book Closure Date</b>	Wednesday 4th July, 2007 to Wednesday 11th July, 2007 (both days inclusive) for the purpose of Annual General Meeting												
<b>d. Listing of Equity Shares at</b>	<ol style="list-style-type: none"> <li><b>Bombay Stock Exchange Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001</li> <li><b>National Stock Exchange of India Limited (NSE)</b> "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051</li> </ol>												
<b>e. Annual Listing Fees</b>	Annual listing fee for the year 2007-08 has been paid by the Company to BSE and NSE												
<b>f. Stock Code</b>													
<b>(i) Trading Symbol at</b>	<table> <tr> <td>Bombay Stock Exchange Limited</td><td>523445</td></tr> <tr> <td>National Stock Exchange of India Limited</td><td>RIIL</td></tr> </table>	Bombay Stock Exchange Limited	523445	National Stock Exchange of India Limited	RIIL								
Bombay Stock Exchange Limited	523445												
National Stock Exchange of India Limited	RIIL												
<b>(ii) Demat ISIN Numbers in NSDL and CDSL</b>	<table> <tr> <td>Equity Shares</td><td>INE046A01015</td></tr> </table>	Equity Shares	INE046A01015										
Equity Shares	INE046A01015												

### g. Share Price Data (in Rs. per share)

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April - 2006	587.05	375.25	589.65	376.00
May - 2006	943.80	586.00	951.70	585.10
June - 2006	689.00	357.25	685.00	357.40
July - 2006	508.35	353.55	505.75	352.30
August - 2006	528.00	384.00	532.30	383.00
September - 2006	534.40	449.00	535.00	448.25
October - 2006	560.20	506.00	562.00	507.00
November - 2006	698.00	517.00	697.00	518.00
December - 2006	608.65	464.55	614.90	461.25
January - 2007	607.70	531.90	613.60	528.25
February - 2007	577.70	435.00	577.00	433.00
March - 2007	458.50	357.30	459.00	355.60

Source : BSE and NSE websites.

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

1. Company's share price performance in comparison to BSE Sensex based on share price on 31st March, 2007 :

Period	% Change in		
	Company's share price	Sensex	Company in comparison to Sensex
Financial Year 2006-07	0.66	15.89	-13.14
2 years	331.73	101.33	114.44
3 years	596.56	133.82	197.90
5 years	1067.46	276.79	209.84

2. Company's share price performance in comparison to NSE Nifty based on share price on 31st March, 2007:

Period	% Change in		
	Company's share price	Nifty	Company in comparison to Nifty
Financial Year 2006-07	0.65	12.31	-10.38
2 years	329.48	87.73	128.78
3 years	600.53	115.68	224.81
5 years	1037.23	238.32	236.14

**i. 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)

Telephone Nos. : +91-40-2332 0666 / 2332 0711 /  
2332 3037

**j. 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 authorised Shri Mahesh K. Kamdar, Chairman of the Board, Shri Bharat C. Gosalia, Director, Shri Dilip V. Dherai, Executive Director and Shri Swatantra Kumar Sethi, Company Secretary, severally, to approve the transfer, transmission etc. of the Company's securities. A summary of transfer / transmission of securities of the Company so approved 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.

**k. Distribution of Shareholding as on 31st March, 2007**

Category of Shareholders	% of total Shares held
Promoters	46.23
Banks/ Financial Institutions/ Mutual Funds	1.17
Foreign Institutional Investors	0.26
Non Resident Indians / Overseas Corporate Bodies	0.45
Indian Public :	
a. Private Corporate Bodies	20.95
b. Others	30.94
<b>Total</b>	<b>100.00</b>

# **I. Top 10 Shareholders as on 31st March 2007**

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	340000	2.25
5	Kudrat Investment and Leasing (India) Private Limited	320000	2.12
6	Syndicate Bank	161321	1.07
7	Reliance Capital Limited	160100	1.06
8	Gulabchand Chandulal Bafna	63823	0.42
9	Karvy Stock Broking Limited	62991	0.42
10	Jayantilal Premji Shah	62500	0.41

# **m. Shareholding Pattern by Size as on 31st March, 2007**

Sr. No.	Category (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	26 880	12 69 222	8.40	5 976	5 96 808	3.95	32 856	18 66 030	12.35
2	101 - 500	5 041	12 79 815	8.48	624	1 69 100	1.12	5 665	14 48 915	9.60
3	501 - 1000	694	5 59 854	3.71	43	33 200	0.22	737	5 93 054	3.93
4	1001 - 5000	449	9 76 579	6.46	24	37 500	0.25	473	10 14 079	6.71
5	5001 - 10000	44	3 27 858	2.17	2	15 800	0.11	46	3 43 658	2.28
6	10001 - 50000	27	5 47 465	3.63	0	0	0.00	27	5 47 465	3.63
7	50001 - 100000	2	1 15 378	0.76	0	0	0.00	2	1 15 378	0.76
8	100001 & Above	7	91 71 421	60.74	0	0	0.00	7	91 71 421	60.74
	<b>TOTAL</b>	<b>33 144</b>	<b>142 47 592</b>	<b>94.35</b>	<b>6 669</b>	<b>8 52 408</b>	<b>5.65</b>	<b>39 813</b>	<b>15100 000</b>	<b>100.00</b>

# **n. Geographical Distribution of Shareholders as on 31st March, 2007**

Sr. No.	City Name	Physical				Electronic				Total			
		No. of Holders	% to total Holders	No. of Shares	% to total Shares	No. of Holders	% to total Holders	No. of Shares	% to total Shares	No. of Holders	% to total Holders	No. of Shares	% to total Shares
1	MUMBAI	1843	4.63	263832	1.75	7325	18.40	11029803	73.05	9168	23.03	11293635	74.79
2	DELHI	398	1.00	61800	0.41	2751	6.91	591927	3.92	3149	7.91	653727	4.33
3	AHMEDABAD	500	1.26	54900	0.36	2136	5.37	329441	2.18	2636	6.63	384341	2.55
4	KOLKATA	216	0.54	31100	0.21	2064	5.18	255155	1.69	2280	5.72	286255	1.90
5	BANGALORE	152	0.38	17104	0.11	1136	2.85	135989	0.90	1288	3.23	153093	1.01
6	VADODARA	202	0.51	23600	0.16	858	2.16	86885	0.57	1060	2.67	110485	0.73
7	CHENNAI	189	0.47	20000	0.13	992	2.49	101368	0.67	1181	2.96	121368	0.80
8	PUNE	74	0.19	10400	0.07	1056	2.65	197777	1.31	1130	2.84	208177	1.38
9	HYDERABAD	113	0.28	12800	0.09	580	1.46	143573	0.95	693	1.74	156373	1.04
10	OTHERS	2982	7.49	356872	2.36	14246	35.78	1375674	9.11	17228	43.27	1732546	11.47
	<b>TOTAL</b>	<b>6669</b>	<b>16.75</b>	<b>852408</b>	<b>5.65</b>	<b>33144</b>	<b>83.25</b>	<b>14247592</b>	<b>94.35</b>	<b>39813</b>	<b>100.00</b>	<b>15100000</b>	<b>100.00</b>

#### o. Corporate Benefits

##### Dividend Declared for the last 10 Years

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2006-07	10th March, 2007 (Interim Dividend)	35%
2005-06	12th July, 2006	35%
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%

#### p. Dematerialisation of Shares

1,42,47,592 shares representing 94.35% of the total shares issued by the Company have been dematerialised upto 31st March, 2007. 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).

#### q. Liquidity

The higher trading activity is witnessed on NSE. Relevant data for the average daily turnover for the financial year 2006-07 is given below :

	BSE	NSE	TOTAL
In no. of shares (in thousand)	131.69	193.54	325.23
In value terms (Rs. in crore)	7.14	10.53	17.67

#### r. 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.

#### s. Plant Locations

The Company is in infrastructure and leasing business and does not have any manufacturing plant.

#### t. 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  
E-Mail : 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**  
NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
Babubhai Chinai Road,  
Mumbai - 400 020.

##### For Communication

Phone : 022-6767 1871 • Fax : 022-6663 1074

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

During the year under review, the Company has credited a sum of Rs. 5,22,300/- 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, Messrs 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 in India where the securities of the Company are listed.

#### 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(s) and Whole-time Director(s).

##### b. Communication to shareholders:

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

##### c. Audit Qualification :

The 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 Audit Committee 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 31st March, 2007, who has submitted his report confirming 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 (exclusive of Service Tax) to the Statutory Auditors for the year was Rs. 8.15 lac (previous year Rs. 7.65 lac) including Rs.0.60 lac (previous year Rs. 0.60 lac) as fees paid for Certification in finance and tax matters.

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#### Persons constituting Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969, include the following:

Reliance Industries Limited (Promoter)	Reliance Jamnagar Infrastructure Limited
Ranger Farms Limited.	Reliance LNG Limited
Reliance Aromatics and Petrochemicals Private Limited	Reliance Netherlands BV
Reliance Chemicals Private Limited	Reliance Nutraceuticals Private Limited
Reliance Commercial Associates Private Limited	Reliance Petroinvestments Limited
Reliance Dairy Foods Limited	Reliance Petroleum Limited
Reliance Do Brasil Industria E Commercias De Portudos Texteis Quimicos, Petroquimicos E Derivados Ltda (Reliance Brazil L.L.C.)	Reliance Pharmaceuticals (India) Private Limited
Reliance Energy and Project Development Private Limited	Reliance Polyolefins Private Limited
Reliance Europe Limited	Reliance Retail Finance Limited
Reliance Exploration & Production – DMCC	Reliance Retail Insurance Broking Limited
Reliance Global Management Services Private Limited	Reliance Retail Limited (RRL)
Reliance Haryana SEZ Limited	Reliance Strategic Investments Limited
Reliance Industrial Investments and Holdings Limited	Reliance Technologies LLC
Reliance Industries (Middle East) DMCC	Reliance Ventures Limited (RVL)
	RESQ Limited
	Retail Concepts and Services (India) Limited

## Secretarial Audit Report

The Board of Directors  
Reliance Industrial Infrastructure Limited  
NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
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, 2007 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 that 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 18th annual general meeting held on 12th July, 2006;

(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.



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: **25th April, 2007**





## 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, 2007, 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 in paragraph 3 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) On the basis of written representations received from the Directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director 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 the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- (c) in the case of 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 : 28th April, 2007

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. The Inventories have been physically verified during the year 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. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted or taken any loans secured or unsecured to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
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 and 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, 2007 for a period of more than six months from the date they became payable.
  - c. The disputed statutory dues aggregating to Rs. 644 thousand, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Name of the statute	Nature of Dues	Amount (Rs. in Thousand)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	644	2001-02	Income Tax Appellate Tribunal

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 procedures 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 are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, 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 guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. The Company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that 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. The Company has created securities and / or charge in respect of secured debentures issued.
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.

**For Chaturvedi & Shah**  
 Chartered Accountants  
**Amit Chaturvedi**  
 Partner  
 Membership No. : 103141

**Mumbai,**  
**Dated : 28th April, 2007**

## Balance Sheet as at 31st March, 2007

	Schedule No.	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.	(Rs. in Thousand) As at 31st March, 2006 Rs.
<b>Sources of Funds</b>				
<b>Shareholders' Funds :</b>				
Share Capital	1	151,000	151,000	
Reserves and Surplus	2	<u>1,216,195</u>	<u>1,103,591</u>	1,254,591
		<b>1,367,195</b>		
<b>Loan Funds :</b>				
Secured Loans	3	550,000	550,000	
Unsecured Loans	4	<u>590,000</u>	<u>590,000</u>	
		<b>1,140,000</b>		1,140,000
<b>Deferred Tax Liability</b>		<b>112,467</b>		149,502
<b>Total</b>		<b><u>2,619,662</u></b>	<b><u>2,544,093</u></b>	
<b>Application of Funds</b>				
<b>Fixed Assets :</b>				
Gross Block	5	3,837,105	3,973,184	
Less : Depreciation		3,432,258	3,545,289	
Lease Adjustment		<u>(112,102)</u>	<u>(145,342)</u>	
Net Block		516,949	573,237	
Capital Work-in-Progress		<u>24,452</u>	-	
		<b>541,401</b>		573,237
<b>Investments</b>	6	<b>113,460</b>		125,256
<b>Current Assets, Loans and Advances :</b>				
<b>Current Assets</b>				
Interest Accrued on Investments		248	248	
Inventories	7	48,874	46,902	
Sundry Debtors	8	38,909	60,755	
Cash and Bank Balances	9	<u>21,005</u>	<u>14,472</u>	
		109,036	122,377	
<b>Loans and Advances</b>	10	<u>2,107,307</u>	<u>1,950,596</u>	
		<b>2,216,343</b>	<b>2,072,973</b>	
<b>Less : Current Liabilities and Provisions :</b>	11			
Current Liabilities		215,029	142,688	
Provisions		<u>36,513</u>	<u>84,685</u>	
		<b>251,542</b>	<b>227,373</b>	
<b>Net Current Assets</b>		<b>1,964,801</b>		1,845,600
<b>Total</b>		<b><u>2,619,662</u></b>	<b><u>2,544,093</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 : 28th April, 2007

For and on behalf of the Board

**Mahesh K. Kamdar**

**Chandra Raj Mehta**  
**Sandeep H. Junnarkar**  
**Bharat C. Gosalia**  
**S. C. Malhotra**

**Swatantra Kumar Sethi**

Chairman

Directors

Company Secretary

## Profit and Loss Account for the year ended 31st March, 2007

	Schedule No.	2006-2007	(Rs. in Thousand) 2005-2006
		Rs.	Rs.
<b>Income</b>			
Income from Operations	12	539,292	644,691
Other Income	13	197,434	108,811
		<b>736,726</b>	753,502
<b>Expenditure</b>			
Establishment and Other Expenses	14	327,471	301,190
Interest and Finance Charges	15	74,038	70,161
Depreciation and Impairment		72,494	160,693
Less : Transferred from General Reserve (Refer Note 3 of Schedule 17)		13,644	17,196
		<b>58,850</b>	143,497
<b>Profit before Tax</b>		<b>276,367</b>	238,654
Provision for Taxation :			
- Current tax		119,272	99,765
- Deferred tax		(34,657)	(46,460)
- Fringe Benefit tax		621	751
		<b>85,236</b>	54,056
<b>Profit after Tax</b>		<b>191,131</b>	184,598
Balance brought forward from last year		170,655	241,581
<b>Amount Available For Appropriations</b>		<b>361,786</b>	426,179
<b>Appropriations</b>			
Debenture Redemption Reserve		15,259	15,259
General Reserve		100,000	180,000
Interim Dividend on Equity Shares		52,850	-
Proposed Dividend on Equity Shares		-	52,850
Tax on Dividend		7,415	7,415
		<b>175,524</b>	255,524
<b>Balance carried to Balance Sheet</b>		<b>186,262</b>	170,655
<b>Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.)</b> (Refer Note 9 of Schedule 17)		<b>12.66</b>	12.22
<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 : 28th April, 2007

For and on behalf of the Board  
**Mahesh K. Kamdar**

**Chandra Raj Mehta**  
**Sandeep H. Junnarkar**  
**Bharat C. Gosalia**  
**S. C. Malhotra**

Chairman

Directors

**Swatantra Kumar Sethi**

Company Secretary



## Cash Flow Statement for the year ended 31st March, 2007

	2006-2007		(Rs. in Thousand) 2005-2006	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per Profit and Loss Account		276,367		238,654
Adjusted for :				
(Profit) / Loss on Sale of Fixed Assets (Net)	(12,131)		173	
(Profit) / Loss on Sale of Current Investments (Net)	278		(4,907)	
Diminution in value of Current Investment	62		14	
Depreciation and Impairment	72,494		160,693	
Lease Equalisation	49,275		(12,438)	
Transferred from General Reserve	(18,262)		(17,196)	
Dividend Income	(7,481)		(31,630)	
Interest / Other Income	(177,587)		(72,274)	
Lease Rent written off	-		21,120	
Capital Work in progress written off	-		150	
Interest Expenses	74,038		70,161	
		(19,314)		113,866
<b>Operating profit before working capital changes</b>		<b>257,053</b>		<b>352,520</b>
Adjusted for :				
Trade and Other Receivables	16,113		33,853	
Inventories	(1,972)		(16,188)	
Trade Payables	58,855		22,717	
		72,996		40,382
<b>Cash generated from operations</b>		<b>330,049</b>		<b>392,902</b>
Taxes paid		(142,399)		(138,640)
<b>Net Cash from Operating Activities</b>		<b>187,650</b>		<b>254,262</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>				
Purchase of Fixed Assets	(81,718)		(1,706)	
Sale of Fixed Assets	13,420		130	
Purchase of Investments	(616,503)		(8,026,253)	
Sale of Investments	627,959		8,787,146	
(Increase) / Decrease in Loans	62		(1,299,921)	
Dividend Income	7,481		31,630	
Interest / Other Income	48,419		383,642	
<b>Net Cash used in Investing Activities</b>		<b>(880)</b>		<b>(125,332)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Repayment of Finance Lease Liabilities	-		(80)	
Dividend Paid	(106,199)		(54,980)	
Interest Paid	(74,038)		(70,161)	
<b>Net cash used in Financing Activities</b>		<b>(180,237)</b>		<b>(125,221)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>6,533</b>		<b>3,709</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>14,472</b>		<b>10,763</b>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>21,005</b>		<b>14,472</b>

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner

**Mumbai,**  
Dated : 28th April, 2007

For and on behalf of the Board

**Mahesh K. Kamdar**

**Chandra Raj Mehta**  
**Sandeep H. Junnarkar**  
**Bharat C. Gosalia**  
**S. C. Malhotra**

**Swatantra Kumar Sethi**

Chairman

Directors

Company Secretary

## Schedules forming part of the Balance Sheet

	As at 31st March, 2007 Rs.	(Rs. in Thousand) As at 31st March, 2006 Rs.
<b>Schedule 1 : Share Capital</b>		
<b>Authorised :</b>		
200,000,000 Equity Shares of Rs.10/- each (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 (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	15,426	167
Add : Transferred from Profit and Loss Account	<u>15,259</u>	<u>15,259</u>
	30,685	15,426
<b>General Reserve</b>		
As per last Balance Sheet	316,157	153,353
Add : Transferred from Profit and Loss Account	<u>100,000</u>	<u>180,000</u>
	416,157	333,353
Less : Transferred to Profit and Loss Account (Refer Note 3 of Schedule 17)	<u>13,644</u> †	<u>17,196</u>
	402,513	316,157
Less : Provision for Leave Encashment (Refer Note 5 of Schedule 17)	<u>4,618</u>	<u>-</u>
	397,895	316,157
<b>Profit and Loss Account</b>	<u>186,262</u>	<u>170,655</u>
<b>Total</b>	<u>1,216,195</u>	<u>1,103,591</u>
† Cumulative amount (net) transferred on account of Depreciation on revaluation is Rs. 157,659 thousand (Previous Year Rs. 144,015 thousand).		
<b>Schedule 3 : Secured Loans</b>		
Non Convertible Debentures	<u>550,000</u>	<u>550,000</u>
<b>Total</b>	<u>550,000</u>	<u>550,000</u>
<b>Note :</b> Debentures are secured by way of first legal mortgage in favour of the Trustees for Debentureholders on certain immovable properties of the Company situated in the state of Maharashtra. The Debentures were redeemable on 27th March, 2015. The Company has repurchased the Debentures at par on 25th April, 2007.		
<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>590,000</u>	<u>590,000</u>

## Schedules forming part of the Balance Sheet

### Schedule 5 : Fixed Assets

(Rs. in Thousand)

Description	Gross Block			As at 31.03.2007 Rs.	Depreciation		Lease Adjustment Upto 31.03.2007 Rs.	Net Block	
	As at 01.04.2006 Rs.	Additions / Adjustments Rs.	Deductions Rs.		For the year Rs.	Upto 31.03.2007 Rs.		As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
Freehold Land	4,262	-	-	4,262	-	-	-	4,262	4,262
Leasehold Land	3,473	-	-	3,473	206	1,929	-	1,544	1,750
Buildings	23,227	-	-	23,227	758	10,587	-	12,640	13,398
Plant and Machinery	1,644,674	65,549	-	1,710,223	35,705	1,486,090	-	224,133	194,289
Construction Machinery	1,399,490	-	19,470	1,380,020	10,070 #	1,228,025 †	-	151,995	163,024
Furniture and Fixtures	4,912	259	89	5,082	257	3,555	-	1,527	1,561
Equipments	6,771	286	77	6,980	433	4,331	-	2,649	2,805
Vehicles	8,630	675	652	8,653	820	2,904	-	5,749	6,179
<b>Sub-Total</b>	<b>3,095,439</b>	<b>66,769</b>	<b>20,288</b>	<b>3,141,920</b>	<b>48,249</b>	<b>2,737,421</b>	<b>-</b>	<b>404,499</b>	<b>387,268</b>
<b>Assets leased prior to 01.04.2001 :</b>									
Construction Equipment	182,560	-	182,560	-	699	-	-	-	-
LPG Cylinders	695,185	-	-	695,185	23,546	694,837	112,102	112,450	185,969
<b>Sub-Total</b>	<b>877,745</b>	<b>-</b>	<b>182,560</b>	<b>695,185</b>	<b>24,245</b>	<b>694,837</b>	<b>112,102</b>	<b>112,450</b>	<b>185,969</b>
<b>Total</b>	<b>3,973,184</b>	<b>66,769</b>	<b>202,848</b>	<b>3,837,105</b>	<b>72,494</b>	<b>3,432,258</b>	<b>112,102</b>	<b>516,949</b>	<b>573,237</b>
Previous Year	3,971,900	1,756	472	3,973,184	160,693	3,545,289	145,342	573,237	
Capital Work-in-Progress								<u>24,452</u>	<u>-</u>

**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) 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 impairment loss Rs. 4,946 thousand. (Previous Year Rs.39,292 thousand)

# net of impairment loss reversed during the year Rs.14,897 thousand (Previous Year Rs. Nil). (Refer Note 4 of Schedule 17)

(Rs. in Thousand)

**As at  
31st March, 2007  
Rs.**

**As at  
31st March, 2006  
Rs.**

### Schedule 6 : Investments

#### LONG TERM INVESTMENTS

#### Other Investments :

#### In Equity Shares -

#### Quoted, fully paid up :

86,000 (86,000)	Equity Shares of Reliance Industries Limited of Rs.10/- each	<b>5,834</b>	5,834
- (86,000)	Equity Shares of Reliance Capital Ventures Limited of Rs.10/- each	-	146
4,300 (-)	Equity Shares of Reliance Capital Limited of Rs.10/- each (shares allotted consequent to merger of Reliance Capital Ventures Limited)	<b>146</b>	-
86,000 (86,000)	Equity Shares of Reliance Communication Ventures Limited of Rs.5/- each	<b>4,342</b>	4,342
- (86,000)	Equity Shares of Reliance Energy Ventures Limited of Rs.10/- each	-	819



## Schedules forming part of the Balance Sheet

		As at 31st March, 2007 Rs.	(Rs. in Thousand) As at 31st March, 2006 Rs.
<b>Schedule 6 : Investments (continued)</b>			
<b>Quoted, fully paid up (continued) :</b>			
6,450 (-)	Equity Shares of Reliance Energy Limited of Rs.10/- each (shares allotted consequent to merger of Reliance Energy Ventures Limited)	<b>819</b>	-
86,000 (86,000)	Equity Shares of Reliance Natural Resources Limited of Rs.5/- each	<b>78</b>	78
<b>Unquoted, fully paid up :</b>			
1,108,500 (1,108,500)	Equity Shares of Reliance Europe Limited of Sterling Pound 1/- each (Company under the same management)	<b>39,338</b>	39,338
8,100 (8,100)	Equity Shares of Ral Investment Private Limited of Rs.10/- each	<b>81</b>	81
- (8,100)	Equity Shares of LPG Infrastructure (India) Private Limited of Rs.10/- each	-	81
18,000 (18,000)	Equity Shares of Rosche Trading Private Limited of Rs.10/- each	<b>180</b>	180
<b>In Debentures -</b>			
<b>Unquoted, fully paid up :</b>			
140,000 (140,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Ral Investment Private Limited of Rs. 100/- each	<b>14,000</b>	14,000
30,000 (30,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of LPG Infrastructure (India) Private Limited of Rs. 100/- each	<b>3,000</b>	3,000
<b>In Others -</b>			
<b>Quoted :</b>			
110,100 (110,100)	Units of 6.75% Tax Free US64 Bonds of Unit Trust of India of Rs. 100/- each (Deposited with Mumbai Port Trust)	<b>11,010</b>	11,010
<b>CURRENT INVESTMENTS</b>			
<b>In Others -</b>			
<b>In Units, Unquoted :</b>			
- (1,558,141.278)	ABN AMRO Cash Fund- Institutional Plus - Growth of Rs. 10/- each	-	16,024
972,203.527 (306,038.938)	ABN AMRO Flexi Debt Fund- Regular Weekly Dividend of Rs. 10/- each	<b>9,785</b>	3,060
2,526,813.975 (2,725,870.263)	Standard Chartered Liquidity Manager- Weekly Dividend of Rs. 10/- each	<b>24,847</b>	27,263
	<b>Total</b>	<b>113,460</b>	125,256

## Schedules forming part of the Balance Sheet

	As at 31st March, 2007		(Rs. in Thousand) As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.

### Schedule 6 : Investments (continued)

Aggregate Value of :	Book Value	Market Value	Book Value	Market Value
Quoted Investments	21,264	173,205	22,229	114,972
Unquoted Investments	92,196		103,027	

Movement during the year : (Purchased and Sold)	Face Value (Rs.)	Nos.	Cost (Rs. in Thousand)
--	---------------------	------	---------------------------

#### Mutual Fund Units

ABN AMRO Cash Fund - Institutional Plus - Daily Dividend	10	14,128,062.162	141,281
ABN AMRO Flexi Debt Fund - Regular - Weekly Dividend	10	13,917,571.510	139,311
Standard Chartered Liquidity Manager - Weekly Dividend	10	31,660,233.840	316,895

	As at 31st March, 2007		(Rs. in Thousand) As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.

### Schedule 7 : Inventories

Stores and Spares	48,874	46,902
<b>Total</b>	<b>48,874</b>	<b>46,902</b>

### Schedule 8 : Sundry Debtors

(Unsecured)

Debts outstanding for a period exceeding six months

Considered good	3,233	3,233
Considered doubtful	918	918
	<u>4,151</u>	<u>4,151</u>
Less : Provision for doubtful debts	<u>918</u>	<u>918</u>

	3,233	3,233
Others, considered good	35,676	57,522
<b>Total</b>	<b>38,909</b>	<b>60,755</b>

### Schedule 9 : Cash and Bank Balances

Balances with Scheduled Banks :

In Current Accounts	20,755	13,922
In Deposit Accounts	250	550
<b>Total</b>	<b>21,005</b>	<b>14,472</b>

## Schedules forming part of the Balance Sheet

	As at 31st March, 2007		(Rs. in Thousand) As at 31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
<b>Schedule 10 : Loans and Advances</b>				
(Unsecured and Considered Good)				
Advances recoverable in cash or in kind or for value to be received		2,020,165		1,885,956
Advance Tax (net of provisions)		87,142		64,640
<b>Total</b>		<b>2,107,307</b>		<b>1,950,596</b>

## Schedule 11 : Current Liabilities and Provisions

### Current Liabilities :

Sundry Creditors - Other @	195,642		137,632	
Unpaid Dividends #	<u>19,387</u>		<u>5,056</u>	
		215,029		142,688

### Provisions :

Provision for Wealth Tax	33		37	
Provision for Leave Encashment / Gratuity	36,480		24,383	
Provision for Proposed Dividend	-		52,850	
Provision for Tax on Dividend	<u>-</u>		<u>7,415</u>	
		36,513		84,685
<b>Total</b>		<b>251,542</b>		<b>227,373</b>

@ There are no amounts due to small scale industrial undertakings based on the information available with the Company.

# 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

	2006-2007		(Rs. in Thousand) 2005-2006	
	Rs.	Rs.	Rs.	Rs.
<b>Schedule 12 : Income from Operations</b>				
Income from Infrastructure Activity		512,550		552,411
Lease Income	76,017		79,842	
Less : Lease Equalisation	<u>49,275</u>		<u>(12,438)</u>	
		26,742		92,280
<b>Total</b>		<b>539,292</b>		<b>644,691</b>

## Schedules forming part of the Profit and Loss Account

		(Rs. in Thousand)
	2006-2007	2005-2006
	Rs.	Rs.
<b>Schedule 13 : Other Income</b>		
Income from Long Term Investments :		
Other Investments :		
Dividend	1,806	645
Interest	-	41,291
(Tax deducted at source Rs. Nil ; Previous Year Rs.117,427 thousand)		
	<b>1,806</b>	41,936
Dividend from Current Investments	<b>5,675</b>	30,985
Interest on Loans and Deposits	<b>166,983</b>	30,730
(Tax deducted at source Rs. 37,378 thousand ; Previous Year Rs. 2,037 thousand)		
Profit on Sale of Current Investment (Net)	-	4,907
Profit on Sale of Fixed Assets	<b>12,366</b>	-
Miscellaneous Income	<b>10,604</b>	253
<b>Total</b>	<b>197,434</b>	108,811

## Schedule 14 : Establishment and Other Expenses

Salaries, Wages and Bonus	56,186	57,216
Contribution to Provident Fund and Other Funds	2,467	2,323
Employees' Welfare Expenses and other amenities	2,977	3,444
	<b>61,630</b>	62,983
Stores and Spares Consumed	<b>67,189</b>	36,722
Repairs and Maintenance :		
- Plant and Machinery	31,500	4,258
- Buildings	33	22
- Others	689	2,480
	<b>32,222</b>	6,760
Operating Expenses	<b>100,236</b>	99,181
Plant Utilities	<b>6,000</b>	6,000
Electric Power	<b>164</b>	233
Rent	<b>30,660</b>	30,234
Rates and Taxes	<b>4,076</b>	4,054
Insurance Charges	<b>5,364</b>	4,226
Professional Fees	<b>10,991</b>	23,327
Payment to Auditors	<b>815</b>	843
Lease Rent	-	21,120
Exchange Differences (Net)	<b>6</b>	12
Miscellaneous Expenses *	<b>7,605</b>	5,322
Loss on Sale of Current Investments (Net)	<b>278</b>	-
Loss on Sale of Fixed Assets	<b>235</b>	173
<b>Total</b>	<b>327,471</b>	301,190

\* Includes Diminution in value of current investments **Rs. 62 thousand** (Previous Year Rs.14 thousand)

## Schedule 15 : Interest and Finance Charges

Fixed Loans	24,515	20,405
Debentures	49,500	49,500
Others	23	256
<b>Total</b>	<b>74,038</b>	70,161

## Schedule 16 : Significant Accounting Policies

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

- (i) The financial statements have been prepared under the historical cost convention in accordance with 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.

### B. Use of Estimates :

The presentation of financial statements 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.

### C. Fixed Assets :

- (i) Fixed Assets are stated at cost net of cenvat 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.

### D. Leased Assets :

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.

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.

### E. 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.

### F. 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 period is reversed if there has been a change in the estimate of recoverable amount.

### G. Revenue Recognition :

Revenue Income is recognised when no significant uncertainty as to its determination or realisation exists.

### H. 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.

### I. 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.

### J. Inventories :

Inventories are measured at cost. Cost is determined on weighted average basis.

## Significant Accounting Policies (continued)

### K. 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.

### L. Employee Retirement Benefits :

- (i) Provident Fund is a defined contribution scheme maintained with the Regional Provident Fund Commissioner. The contributions are charged to the Profit and Loss Account of the year when they are due for remittance.
- (ii) Superannuation Fund is a defined contribution scheme, and the Company has an employees' superannuation fund managed by Life Insurance Corporation of India, and the Superannuation Fund contributions are charged to the Profit and Loss Account at the end of each financial year.
- (iii) Gratuity is a defined benefit obligation and the Company has an employees' gratuity fund managed by Life Insurance Corporation of India. Gratuity is provided for on the basis of an actuarial valuation made at the end of each financial year.
- (iv) Leave Encashment is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

### M. 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.

### N. 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. 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.

### O. 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 include interest free loans of **Rs. 249 thousand** (Previous Year Rs. 294 thousand) given to various employees as per Company's policy. Maximum amount outstanding during the year **Rs. 294 thousand** (Previous Year Rs.576 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. 13,644 thousand** (Previous Year Rs. 17,196 thousand) and an equivalent amount has been withdrawn from General Reserve and credited to the Profit and Loss Account.
4. The Company had impaired certain construction machinery during earlier years. Consequent to the redeployment of these machinery, the impairment loss net of depreciation from the year of impairment till 31st March, 2007, has been reversed in accordance with the Accounting Standard on Impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India. "Depreciation and Impairment" in the Profit and Loss Account includes impairment loss reversed **Rs. 14,897 thousand** (Previous Year Rs Nil).
5. Pursuant to the early adoption of the Accounting Standard on Employee Benefits (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, additional liability of **Rs. 4,618 thousand** upto 31st March, 2006 net of deferred tax of **Rs. 2,378 thousand** has been adjusted against the opening balance of revenue reserves. The additional charge on account of the above is **Rs.3,272 thousand** for the year.
6. **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).

## Schedule 17 : Notes on Accounts (continued)

### 7. Related Party Disclosures :

(i) List of Related Parties with whom transactions have taken place and Relationships :

Name of the Related Party	Nature of Relationship
Reliance Industries Limited	Associate
Shri Dilip V. Dherai	Key Managerial Personnel

(ii) Transactions during the year with related parties (excluding reimbursements) :

#### a) With Associate :

Reliance Industries Limited	2006-2007	(Rs. in Thousand) 2005-2006
Opening Balance as on 1st April :		
- Unsecured Loans taken	350,000	350,000
- Investment in Equity Shares	5,834	5,834
- Sundry Debtors	49,826	72,140
- Sundry Creditors	1,466	35
- Guarantee taken	40,425	40,425
Transactions :		
Income from Infrastructure Activity	459,734	539,400
Lease Income	-	3,614
Dividend on Other Investment	1,806	645
Plant Utilities	6,000	6,000
Repairs and Maintenance	29,875	-
Interest Expenses	24,500	20,405
Sale of Fixed Assets	1,825	-
Closing Balance as on 31st March :		
- Unsecured Loans taken	350,000	350,000
- Investment in Equity Shares	5,834	5,834
- Sundry Debtors	26,716	49,826
- Sundry Creditors	31,341	1,466
- Guarantee taken	40,425	40,425

#### b) With Key Managerial Personnel :

	2006-2007	(Rs. in Thousand) 2005-2006
Payments to Shri Bharat C. Gosalia (upto 30.06.2005)	-	477
Payments to Shri Dilip V. Dherai (Refer Note 11 (ii) to Schedule 17)	1,840	1,658



## 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	
	2006-2007 Rs.	2005-2006 Rs.	2006-2007 Rs.	2005-2006 Rs.	2006-2007 Rs.	2005-2006 Rs.	2006-2007 Rs.	2005-2006 Rs.
Future lease rental Receivables	11,667	19,618	7,951	7,951	3,716	11,667	-	-
Add : Unguaranteed residual value	-	-	-	-	-	-	-	-
Gross investment in lease	11,667	19,618	7,951	7,951	3,716	11,667	-	-
Less : Unearned finance income	253	706	141	141	112	565	-	-
Present value of minimum lease payments	11,414	18,912	7,810	7,810	3,604	11,102	-	-

- (ii) A general description of significant leasing arrangements :

- a) Assets are given on lease for periods ranging from three to six years.  
b) Lease Rentals are charged on the basis of agreed rate of interest.

### 9. Earnings per Share :

	2006-2007	2005-2006
(i) Net Profit after tax available for equity shareholders (Rs. in thousand)	191,131	184,598
(ii) Weighted average of number of equity shares	1,51,00,000	1,51,00,000
(iii) Basic and Diluted Earnings per share (Rs) (Face value of Rs. 10/- each)	12.66	12.22

### 10. Deferred Tax Liability :

The deferred tax liability comprise of the following :

	2006-2007		(Rs. in Thousand)	
	Rs.	Rs.	2005-2006	Rs.
(i) <b>Deferred Tax Liability</b>				
Related to Fixed Assets		157,019		169,409
(ii) <b>Deferred Tax Asset</b>				
Finance Lease	32,879		13,450	
Loss / Diminution on Investments	6		11	
Provision for Doubtful Debts	312		309	
Expenditure U/s 43B of Income Tax Act, 1961	11,354		6,137	
		44,552		19,907
(iii) <b>Deferred Tax (Net)</b>		112,467		149,502

## Schedule 17 : Notes on Accounts (continued)

### 11. Managerial Remuneration :

- (i) The Company has been advised that 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 include Managerial Remuneration by way of :-

	2006-2007	(Rs. in Thousand) 2005-2006
	Rs.	Rs.
Salary and Allowances	1,714	1,948
Perquisites	18	64
Contribution to Provident Fund	108	123
<b>Total</b>	<b>1,840</b>	<b>2,135</b>

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

- (iii) Miscellaneous Expenses include **Rs. 530 thousand** (Previous Year Rs. 510 thousand) towards sitting fees paid to non-executive directors.

### 12. Payment to Auditors :

	2006-2007	(Rs. in Thousand) 2005-2006
	Rs.	Rs.
(i) Statutory Audit Fees	590	595
(ii) Tax Audit Fees	165	182
(iii) For Certification	60	66
<b>Total</b>	<b>815</b>	<b>843</b>

**Note :** Figures for 2006-2007 are net of Cenvat credit.

## Schedule 17 : Notes on Accounts (continued)

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

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

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

	2006-2007	(Rs. in Thousand) 2005-2006
	Rs.	Rs.
i) Travelling Expenses	227	23
ii) Other Matters	771	361

### 15. Additional Information :

	As at 31st March, 2007 Rs.	(Rs. in Thousand) As at 31st March, 2006 Rs.
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30,864	175
(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 have been completed upto Assessment Year 2003-2004. The total demand raised by the Income Tax department upto the said assessment year is <b>Rs. 44,465 thousand</b> (Previous Year Rs. 70,647 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.		

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

	2006-2007		2005-2006	
	(Rs. in Thousand)	% of total Consumption	(Rs. in Thousand)	% of total Consumption
Imported	695	1.05	565	1.54
Indigenous	66,494	98.95	36,157	98.46
<b>Total</b>	<b>67,189</b>	<b>100.00</b>	<b>36,722</b>	<b>100.00</b>

## Schedule 17 : Notes on Accounts (continued)

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

#### I. Registration Details

Registration Number	1 1 - 4 9 0 1 9	State Code	
Balance Sheet Date	3 1 - 0 3 - 0 7		

#### 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	2 6 1 9 6 6 2	Total Assets	2 6 1 9 6 6 2
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##### SOURCES OF FUNDS :

Paid up Capital	1 5 1 0 0 0	Reserves and Surplus	1 2 1 6 1 9 5
Secured Loans	5 5 0 0 0 0	Unsecured Loans	5 9 0 0 0 0
Deferred Tax Liability	1 1 2 4 6 7		

##### APPLICATION OF FUNDS :

Net Fixed Assets	5 4 1 4 0 1	Investments	1 1 3 4 6 0
Net Current Assets	1 9 6 4 8 0 1		

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

Gross Turnover	7 3 6 7 2 6	Total Expenditure	4 6 0 3 5 9
Profit Before Tax	2 7 6 3 6 7	Profit After Tax	1 9 1 1 3 1
Earnings per share in Rs.	1 2 . 6 6	Dividend Rate %	3 5

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

Item Code No. (ITC Code)	N O T A P P L I C A B L E
Product Description	Infrastructure and Leasing

As per our Report of even date  
**For Chaturvedi & Shah**  
Chartered Accountants  
**Amit Chaturvedi**  
Partner

**Mumbai,**  
Dated : **28th April, 2007**

For and on behalf of the Board  
**Mahesh K. Kamdar**

**Chandra Raj Mehta**  
**Sandeep H. Junnarkar**  
**Bharat C. Gosalia**  
**S. C. Malhotra**

**Swatantra Kumar Sethi**

Chairman

Directors

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 40,000 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 94.35% 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 and Transfer Agent, is the Share Transfer Agent of the Company.
- The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

### Investor Service and Grievance Handling Mechanism

All share related transactions viz., transfer, transmission, transposition, nomination, dividend, change of name / address /signature, registration of mandate /Power of Attorney, replacement /split / consolidation of share certificate(s) /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 transactions. 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 two firms of Chartered Accountants as Internal Securities Auditors to concurrently audit the Share related 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 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 Corporate Affairs (MCA) has implemented 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 Warrants 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 from the date they became due for payment 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 period 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 authorized 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 Clearing 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:

- a. Prompt credit to the bank account of the investor through electronic clearing at no extra cost.
- b. Exposure to delays /loss in postal service avoided.



- c. As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.
- d. Fraudulent encashment of warrants is avoided.

#### Where is the ECS Facility available?

ECS Facility is presently made available to the investors residing at 16 centres, viz., Ahmedabad, Bangalore, Bhubhaneshwar, Chandigarh, Chennai, Guwahati, 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. The address link for downloading the Form is <http://karisma.karvy.com/intranet/jsp/docs/ECS.doc> (for accessing this link registration may be required, address link for registration is <http://karisma.karvy.com/karisma/html/index.htm>).

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 Depository. 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 when

they first became due for payment 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 1999-2000	Dividend for 2000-01 and thereafter
Transfer of unpaid dividend	Transferred to General Revenue Account of the Central Government	Dividend for 1994-95 to 1998-99 is transferred and dividend for 1999-2000 is being transferred to the 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 2000-01 and thereafter :

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
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
31.03.2006	12.07.2006	11.07.2013
31.03.2007	10.03.2007	09.03.2014

## II. Dematerialisation / Rematerialisation of Shares

### What is dematerialisation of shares?

Dematerialisation (Demat) is the process by which securities held in physical form 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, 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 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 4 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 Demat 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. The address link for downloading the Form is <http://karisma.karvy.com/intranet/jsp/docs/nomination.doc> (for accessing this link registration may be required, address link for registration is <http://karisma.karvy.com/karisma/html/index.htm>).

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).

#### **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, along with 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, along with 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 along with 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 of 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 along with the application include Indemnity Bond, Surety Form, copy of FIR, Memorandum of Association and Certified Copy of the 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 change 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 notarized 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 dematerialized 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	4
8 Remat	4
9 Issue of Duplicate Certificate	35
10 Replacement of Certificate	3
11 Certificate Consolidation	3
12 Certificate Split	3

##### (B) Correspondence

Sr. Particulars	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

#### 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 @15% and surcharge @10%, together with education cess @ 3%.
- Short Term Capital Gains (STCG) tax is payable @ 10% where Securities Transaction Tax is paid and surcharge (@ 10% above income level of Rs 10 lakh) together with education cess @ 3%, 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 where Securities Transaction Tax is paid.
- Securities Transaction Tax (STT) is payable as under -



- @ 0.125% by both the purchaser and the seller in respect of delivery based transactions in recognised stock exchange.
- @ 0.017% by the seller in respect of derivatives in a recognised stock exchange.
- @ 0.025% by the seller in respect of transactions in securities not being settled by actual delivery in a recognised stock exchange.

## Contact Details

### Depositories

#### National Securities Depository Limited

Trade World, A Wing, 4th & 5th floors  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Tel: (022) 2499 4200  
Fax (022) 2497 2993 / 2497 6351  
Email: 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  
Email: investors@cdslindia.com  
www.cdslindia.com

### Share Transfer Agent

#### Karvy Computershare Private Limited

"Karvy House", 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

Plot No. C4-A, 'G' Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Email: sebi@sebi.gov.in  
www.sebi.gov.in

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

SEBI Bhavan  
Plot No. C4-A,  
'G' Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Tel: (022) 2644 9188 / 2644 9199  
Email: oiae\_assistance@sebi.gov.in  
www.sebi.gov.in

### Registrar of Companies, Maharashtra

100, Everest,  
Marine Drive,  
Mumbai  
Maharashtra-400 002  
INDIA  
Tel: (022) 2281 2639  
Fax: (022) 2281 1977  
Email: Devendar.Gupta@mca.gov.in

### Company Law Board

(Western Region Bench)  
NTC House  
15, N.M.Marg,  
Ballard Estate  
Mumbai 400 038  
Tel: (022) 2261 1456 / 2261 9636

### 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"  
Plot No. C /1, 'G' Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai 400 051  
Tel: (022) 2659 8100 / 8114  
Fax: (022) 2659 8120  
Email: cc\_nse@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	2760890	ashutosh.dwivedi@karvy.com, ksblbhopal@karvy.com
BHUBANESHWAR	0674	2547531 to 34 / 2547382	2511012	ksblbbsr@karvy.com
CALICUT	0495	2760882 / 2760884	~	bijesh@karvy.com, ksblcalicut@karvy.com
CHANDIGARH	0172	5071726 / 5071727 / 5071728 / 5079702	~	sanjay@karvy.com, chandigarh@karvy.com
CHENNAI	044	28153445 / 28151034 / 28153658	28153181	chennaiirc@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	~	ksblleluru@karvy.com
ERODE	0424	2225603 / 225615 / 2225616 / 2225617	~	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	~	karaikudi@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	24644866, 24634787	alokc@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	cshetty@karvy.com, mangalore@karvy.com
MATTANCHERRY	0484	2223243	~	kparthasarathy@karvy.com, ksblmattancherry@karvy.com
MUMBAI	022	26730799 / 843 / 311 / 867 / 153 / 292	26730152	pbamlani@karvy.com, numbaiantheri@karvy.com
MUMBAI	022	66381746 to 50	66331135	francisjf@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	~	nabiriyad@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
RAJAHMUNDRI	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, ksbltrvm@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	2252325 / 2225389	2363207	shoban@karvy.com, ksblvadodara@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 style="width: 100%;" type="text"/>

**For shares held in electronic form**

**DP. ID**

**Client ID**

<b>Name of First holder</b>	<input style="width: 100%;" type="text"/>
<b>Bank name</b>	<input style="width: 100%;" type="text"/>
<b>Branch name</b>	<input style="width: 100%;" 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"/> <p style="font-size: small; margin-top: 5px;">(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank).  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 style="width: 40px;" type="text"/>	→	Current <input style="width: 40px;" type="text"/>	→	Cash Credit <input style="width: 40px;" type="text"/>
<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"/> <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"/> <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,  <b>Karvy Computershare Private Limited</b> Unit : Reliance Industrial Infrastructure Limited 21, Avenue 4, Street No.1 Banjara Hills Hyderabad - 500 034	From <b>Name of Member and address</b>   Folio No.  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>										<b>Age</b>			
To be furnished in case the nominee is a minor								<b>Date of Birth</b>					
<b>Guardian's Name &amp; Address *</b>													
<b>Occupation of Nominee Tick (✓)</b>		1	Service		2	Business		3	Student		4	Household	
		5	Professional		6	Farmer		7	Others				
<b>Nominee's Address</b>													
		<b>Pin Code</b>											
<b>Telephone No.</b>										<b>Fax No.</b>			
<b>Email Address</b>										<b>STD Code</b>			
<b>Specimen signature of Nominee / Guardian (in case nominee is minor)</b>													

**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)
<b>Sole / 1<sup>st</sup> holder</b>		
	<b>Address</b>	
<b>2<sup>nd</sup> holder</b>		
<b>3<sup>rd</sup> holder</b>		
<b>4<sup>th</sup> holder</b>		

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  
NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
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**

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

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint Shareholders may obtain additional Attendance Slip at the venue of the Meeting

DP. Id*		Folio No.	
Client Id*		No. of Shares	

**NAME AND ADDRESS OF THE SHAREHOLDER**

I hereby record my presence at the Nineteenth Annual General Meeting of the Company held on Thursday, 12th July, 2007 at 11.30 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020.

\*Applicable for investors holding shares in dematerialised form

Signature of Shareholder / Proxy



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

**PROXY**

I/We .....  
of ..... being  
a Member/Members of the above named Company, hereby appoint .....  
of ..... or failing him .....  
of.....  
as my/our Proxy to attend and vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company, to be held on Thursday, 12th July, 2007 at 11.30 a.m. and at any adjournment thereof.

\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Report and Accounts		
2. Re-appointment of Shri Sandeep H. Junnarkar, Director retiring by rotation		
3. Appointment of Auditors and to fix their remuneration		
4. Appointment of Shri Chandra Raj Mehta as Director liable to retire by rotation		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Reference Folio No./DP ID & Client ID

No. of shares \_\_\_\_\_

Please see the instructions overleaf.

Signature

Affix  
15 paise  
Revenue  
Stamp



**NOTES :**

1. The Proxy, to be effective, should be deposited at the Registered Office of the Company at NKM International House, 5th Floor, 178 Backbay Reclamation, Behind LIC Yogakshema Building, Babubhai Chinai Road, Mumbai - 400 020 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
2. A Proxy need not be a Member of the Company.
- \* 3. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. Should you so desire, you may also appoint the Chairman or the Company Secretary of the Company as your Proxy, who shall carry out your mandate as indicated above in the event of a poll being demanded at the meeting.

## 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