

Eighth Annual Report 1995-96





## Board of Directors

Shri Satyapal Jain	Chairman
Shri Jayantilal R. Shah	
Shri Sandeep H. Junnarkar	
Shri S. C. Malhotra	Executive Director - Technical
Shri Mahesh K. Kamdar	Executive Director - Commercial
Shri Dilip V. Dherai	Executive Director - Projects
Shri N. Shanker	Secretary

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## Auditors

Chaturvedi & Shah

## Solicitors & Advocates

Kanga & Company

## Bankers

Syndicate Bank  
Indian Bank  
State Bank of India

## Registrar & Transfer Agents

Reliance Consultancy Services Limited  
Unit II, Swastik Mill Compound,  
V. N. Purav Marg (Sion-Trombay Road),  
Chembur, Mumbai 400 071

## Eighth Annual General Meeting

On Tuesday, 10th September, 1996  
at 10.30 a.m.  
at Ashoka Hall, Arcadia,  
Behind NCPA (Tata Theatre),  
Nariman Point, Mumbai - 400 021.

## Registered Office

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



## Notice

Notice is hereby given that the Eighth Annual General Meeting of the Members of **Reliance Industrial Infrastructure Limited** will be held at **Ashoka Hall, Arcadia, behind NCPA (Tata Theatre), Nariman Point, Mumbai 400 021 on Tuesday, 10th September, 1996 at 10.30 a.m.** to transact the following business :

### Ordinary Business :

1. To consider and adopt the Balance Sheet as at 31st March, 1996 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Sandeep H. Junnarkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

### Special Business :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**.

RESOLVED THAT in accordance with the provisions of Section 370 and all other applicable provisions of the Companies Act, 1956, (hereinafter referred to as the "Act") and subject to the previous approval of the Central Government, where required, and also subject to the requisite permission(s)/consent(s) of other appropriate authorities as may be necessary, the Board of Directors of the Company be and is hereby authorised to make any loans or give any guarantees or provide any securities, including deposits to any body or bodies corporate, whether or not under the same Management as the Company and on such terms and conditions as the Board may deem fit, provided that the aggregate of the loans so made or guarantees so given or securities so provided or deposits so made shall not, at any time,

exceed a sum equal to the aggregate of the subscribed capital and free reserves of the Company.

By Order of the Board

**N. Shanker**  
Secretary

### Registered Office :

NKM International House,  
178, Backbay Reclamation,  
Babubhai Chinai Road,  
Mumbai - 400 020

Dated : **29th May, 1996**

### Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item no.5 set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th July, 1996 to Tuesday, 23rd July 1996 (both days inclusive).
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Dividend when sanctioned, will be made payable on or after 10th September, 1996 to those Members whose names appear in the Register of Members as on 23rd July, 1996.
6. The Company has already transferred unclaimed dividend declared for the financial year ended 31st March, 1992 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected



their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Kalachowki, Mumbai 400 033.

The Unpaid Dividends that are due for transfer to the Central Government are as follows :

For the Financial Year	Date of Dividend	Due for Transfer on
1992-93	05-10-93	27-11-96
1993-94	17-08-94	09-10-97
1994-95	30-09-95	22-11-98

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company's Registrar & Transfer Agents, for obtaining duplicate Dividend Warrants.

7. Members are requested to :

- send their Bank Account Number, Name of the Bank, Branch and Address to ensure safe and prompt receipt of dividend warrants. This is to safeguard against fraudulent encashment of the warrants.
- intimate, changes, if any, in their Registered Addresses or before 31st August, 1996.
- file Tax exemption certificates, if any, to ensure that these reach the Company/Registrars on or before 31st August, 1996.
- forward PAN/GIR number with income-tax ward/range/district where assessed/assessable, if not already submitted on or before 31st August, 1996.
- quote ledger folio number in all their correspondence.
- ask for consolidation of shareholdings under multiple folios.
- intimate for duplicate dividend warrants if they have not encashed their warrants for the previous years.

To

Company's Registrar & Transfer Agents :-  
M/s Reliance Consultancy Services Limited,  
Swastik Mills Compound,  
V N Purav Marg, (Sion - Trombay Road),  
Chembur, Mumbai 400 071.

## Annexure to Notice

### Explanatory Statement under Section 173 (2) of the Companies Act, 1956

In conformity with the provisions of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business under item no. 5 mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### Item No.5

In accordance with the provisions of Section 370 of the Companies Act, 1956, a Company cannot make any loan or give any guarantee etc., in excess of the percentages prescribed unless sanctioned by the resolution of the Shareholders in the General Meeting and unless previously approved by the Central Government where required.

In the Extraordinary General Meeting held on 8th March, 1994, Shareholders had given their approval for a limit equal to 50% of the aggregate of the subscribed capital and free reserves as and when it deems fit.

In view of the increase in the business operations of the Company as also of the associated Companies, enhancement of the limit is sought.

The enabling resolution set out in this item would empower the Board of Directors to make loans, give guarantees etc., upto a sum equal to the aggregate of the subscribed capital and free reserves, as and when it deems fit, subject to statutory approvals, where required.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors is, in any way, concerned or interested in the said resolution.

By Order of the Board

**N. Shanker**  
Secretary

#### Registered Office :

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

Dated : 29th May, 1996



## **Reliance Industrial Infrastructure Limited**

### **Registered Office**

5th Floor, N K M International House,  
178, Backbay Reclamation  
Babubhai Chinai Road  
Mumbai 400 020

### **CIRCULAR TO ALL THE REGISTERED MEMBERS**

Dear Shareholder,

This has reference to the Notice dated 29th May, 1996 for the Eighth Annual General Meeting which has been sent to the registered shareholders of the Company alongwith the Annual Report of the Company for the year ended 31st March, 1996.

We draw your kind attention to Item No. 5 of the Notice set out under **Special Business**. Please note that the motion set out in the item is proposed to be passed as a '**Special Resolution**' and accordingly reference to 'Ordinary Resolution' stands deleted. The inadvertent error which had crept in while printing the Notice is sincerely regretted.

This circular may please be treated as an integral part of the Notice dated 29th May, 1996 referred to hereinabove.

**By Order of the Board**

**N Shanker**  
**Secretary**

Mumbai  
Dated : 16th August, 1996



## Directors' Report

Your Directors have pleasure in presenting their 8th Annual Report and Audited Accounts for the year ended 31st March, 1996.

### Financial Results :

	(Rs. Lacs)	
	1995-96	1994-95
Income	3206	3117
Profit before interest and depreciation	2482	2254
Less : Interest	56	77
Depreciation	480	334
Profit for the year	1946	1843
Add : Balance in Profit and Loss Account	265	278
Available for Appropriation	2211	2121
Proposed Dividend	408	356
General Reserve	1500	1500
Balance carried to Balance Sheet	303	265

### Dividend :

Your Directors have pleasure in recommending dividend of Rs. 2.70 per share of Rs. 10/- each (subject to deduction of tax at source) for the financial year ended 31st March, 1996, if approved by the shareholders.

### Year in Retrospect :

Members would be pleased to note that the Company successfully completed and commissioned the following facilities :-

1. A Tankfarm at Jawaharlal Nehru Port Trust, Nhava-Sheva, Navi Mumbai and twin pipeline from the said tankfarm for storage and distribution of petroleum products. This facility was commissioned in September 1995.

2. A Raw Water Pipeline System at Hazira which draws water from River Tapi to meet the industrial water requirements of the Petrochemical and Plastics Complex of Reliance. This facility was commissioned in August 1995.

### Finance :

The Authorised Share Capital of the Company has been increased to Rs. 200 crores pursuant to the approval of the members at the last Annual General Meeting held on 25th September, 1995.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :

The Company has transported about 5.70 million tonnes of petroleum products through its product pipelines. There has been no failure or leakage of the pipelines during the last four years of operations. The Company has established an accident free record of 80 million man-hours. The Company's pipelines are one of the few in the country having on-line monitoring and Automatic Control Systems. It has been recognised as one of the most efficiently operated and maintained pipeline system in the country. It has also resulted in energy saving and foreign exchange savings apart from being an environment friendly mode of transport.

The total foreign exchange outgo during the year under review was equivalent to Rs. 11.84 lacs.

### Fixed Deposits :

The Company has not accepted any deposits from the Public. Hence, no information is required to be appended to this report.

### Subsidiary Companies :

During the year, Ral Investment Limited and Verdant Investments Limited ceased to be subsidiaries of the Company.

### Directors :

In accordance with the requirements of the Companies Act, 1956 and the Company's Articles of Association, Shri Sandeep



H. Junnarkar is liable to retire by rotation at the ensuing Annual General Meeting. The Board recommends his re-appointment.

**Particulars of Employees :**

As required by 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 set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956 the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

**Auditors :**

M/s Chaturvedi & Shah, Chartered Accountants, the present

Auditors of the Company, retire and being eligible, offer themselves for re-appointment.

The Company has obtained a certificate under Section 224 (1B) of the Companies Act, 1956 from the Auditors to the effect that their appointment, if made, would be within the prescribed limit under the said Section.

**Acknowledgement :**

Your Directors acknowledge with gratitude the co-operation and assistance given by the Government, Financial Institutions, Banks and Employees of the Company during the year under review.

For and on behalf of the Board

**Satyapal Jain**  
Chairman

**Mumbai**

Dated : 29th May, 1996



## Auditors' Report

To the Members of Reliance Industrial Infrastructure Limited.

We have audited the attached Balance Sheet of **Reliance Industrial Infrastructure Limited** as at 31st March, 1996 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in Terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - a. 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.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - c. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
  - d. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1996, and
    - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **Chaturvedi & Shah**  
Chartered Accountants

**H P Chaturvedi**  
Partner

Mumbai

Dated : 29th May, 1996

## Annexure to Auditors' Report

Referred to in Paragraph 1 of our report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. According to the information and explanations given to us, the Fixed Assets have been physically verified by the management during the financial year. In our opinion the frequency of such verification is reasonable and no material discrepancies were noticed on such verification as compared to the book records.
2. None of the Fixed Assets have been revalued during the year.
3. The Company has not taken any loan, secured or unsecured, from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
4. The Company has not granted any loan, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
5. In respect of loans and advances in the nature of loans given by the Company to parties, they are generally repaying the principal amount as stipulated and are also regular in payment of interest, wherever applicable.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of stores, including components, plant and machinery, equipments, and other assets and for sale of goods.
7. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in Register maintained under





Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- (Rupees fifty thousand only) or more in respect of any party.

8. As explained to us, the Company does not have any damaged stores or unserviceable items.
9. The Company has not accepted any deposit from the public. Hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, of the Companies Act, 1956 and rules framed thereunder are not applicable.
10. In our opinion the internal audit system of the Company is commensurate with the size and nature of its business.
11. 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.
12. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with appropriate authorities.
13. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, and Excise Duty were outstanding as on 31st March, 1996 for a period of more than six months from the date they became payable.
14. According to the information and explanations given to

us, no personal expenses of the employees or Directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.

15. The Company is not a sick industrial unit within the meaning of clause(o) of sub-section(1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
16. The Company does not have any stock of stores, spare parts, raw materials or finished goods; hence clauses (iii) to (vi) and (xiv) of para 4A of the aforesaid Order are not applicable.
17. In respect of its service activities, the Company has a reasonable system for recording receipts, issues and consumption of construction materials and stores commensurate with the size and nature of its business and the system provides for a reasonable allocation of materials and man hours consumed to the relative jobs. In our opinion, there is a reasonable system for authorisation at proper levels and adequate system of internal controls commensurate with the size and nature of its business.

For Chaturvedi & Shah  
Chartered Accountants

H.P. Chaturvedi  
Partner

Mumbai  
Dated : 29th May,1996

**Balance Sheet as at 31st March, 1996**

	Schedule No.	Rs.	(Rs. Lacs) As at 31.03.96 Rs.	Rs.	As at 31.03.95 Rs.
<b>Sources of Funds :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	1,510.00		1,510.00	
Reserves and Surplus	2	5,262.84		3,724.47	
			6,772.84		5,234.47
<b>Loan Funds:</b>					
Secured Loans	3		93.70		135.38
<b>Total</b>			<b>6,866.54</b>		<b>5,369.85</b>
<b>Application of Funds :</b>					
<b>Fixed Assets :</b>					
Gross Block	4	11,426.13		6,970.11	
Less : Depreciation		1,512.41		1,033.64	
Net Block		9,913.72		5,936.47	
Capital work-in-Progress		163.41		153.02	
			10,077.13		6,089.49
<b>Investments</b>	5		1,890.98		4,756.18
<b>Current Assets, Loans and Advances :</b>					
Work-in-Progress		—		2,719.70	
Sundry Debtors	6	139.73		144.50	
Cash and Bank Balances	7	65.31		34.16	
Other Current Assets		0.74		27.62	
Loans and Advances	8	6,111.55		5,993.14	
		6,317.33		8,919.12	
Less : Current Liabilities and Provisions	9	11,714.07		14,591.48	
<b>Net Current Assets</b>			<b>(5,396.74)</b>		<b>(5,672.36)</b>
<b>Miscellaneous Expenditure</b>	10		295.17		196.54
(To the extent not written off or adjusted)					
<b>Total</b>			<b>6,866.54</b>		<b>5,369.85</b>
<b>Notes on Accounts</b>	15				

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

**H. P. Chaturvedi**  
Partner

**Mumbai**  
Dated : 29th May, 1996

For and on behalf of the Board

**Satyapal Jain**

Chairman

**J. R. Shah**

Director

**S. C. Malhotra**  
**Mahesh K. Kamdar**

Executive Director - Technical  
Executive Director - Commercial

**N. Shanker**

Secretary



## Profit and Loss Account for the year ended 31st March, 1996

	Schedule No.	(Rs. Lacs)		1994-95 Rs.	Rs.
		1995-96 Rs.	Rs.		
<b>Income</b>					
Sales and Service	11	2,736.46		2,164.87	
Other Income	12	469.98		952.24	
			3,206.44		3,117.11
<b>Expenditure</b>					
Establishment and Other Expenses	13	724.43		863.11	
Interest	14	55.97		77.47	
Depreciation		479.97		333.76	
			1,260.37		1,274.34
<b>Profit for the year</b>			1,946.07		1,842.77
Add : Balance brought forward from last year			264.47		278.16
<b>Amount Available For Appropriation</b>			2,210.54		2,120.93
<b>Appropriations</b>					
General Reserve		1,500.00		1,500.00	
Proposed Dividend on Equity Shares (subject to tax)		407.70		356.46	
			1,907.70		1,856.46
<b>Balance carried to Balance Sheet</b>			302.84		264.47
<b>Notes on Accounts</b>	15				

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

**H. P. Chaturvedi**  
Partner

**Mumbai**  
Dated : 29th May, 1996

For and on behalf of the Board

**Satyapal Jain** Chairman

**J. R. Shah** Director

**S. C. Malhotra** Executive Director - Technical  
**Mahesh K. Kamdar** Executive Director - Commercial

**N. Shanker** Secretary

**Schedules forming part of the Balance Sheet**

	Rs.	As at 31.03.96 Rs.	(Rs. Lacs) Rs.	As at 31.03.95 Rs.
<b>Schedule 1 : Share Capital</b>				
<b>Authorised :</b>				
200,000,000 Equity Shares of Rs.10/- each		<u>20,000.00</u>		<u>10,000.00</u>
(100,000,000)				
<b>Issued, Subscribed and Paid up :</b>				
15,100,000 Equity Shares of Rs.10/- each fully paid up		<u>1,510.00</u>		<u>1,510.00</u>
(15,100,000)				
<b>Schedule 2 : Reserves and Surplus</b>				
<b>Share Premium Account</b>		960.00		960.00
<b>General Reserve</b>				
As per last Balance Sheet	2,500.00		1,000.00	
Add : Transferred from Profit and Loss Account	<u>1,500.00</u>		<u>1,500.00</u>	
		4,000.00		2,500.00
<b>Profit and Loss Account</b>		302.84		264.47
		<u>5,262.84</u>		<u>3,724.47</u>
<b>Schedule 3 : Secured Loans</b>				
From Financial Institutions		93.70		135.38
		<u>93.70</u>		<u>135.38</u>

**Note :** Loan from Financial Institution is secured by hypothecation charge over the entire movables of the Company, save and except book debts, but including machinery, spares, tools and accessories, both present and future. They are further secured by way of an irrevocable and unconditional corporate guarantee of Reliance Industries Limited.



## Schedules forming part of the Balance Sheet

### Schedule 4 : Fixed Assets

Description	Gross Block (At Cost)				Depreciation				Net Block	
	As at	Additions	Deductions	As at	As at	For the	Written	Upto	As at	As at
	01.04.95 Rs.	Rs.	Rs.	31.03.96 Rs.	01.04.95 Rs.	year Rs.	Back Rs.	31.03.96 Rs.	31.03.96 Rs.	31.03.95 Rs.
Freehold Lands	0.10	10.41	—	10.51	—	—	—	—	10.51	0.10
Leasehold Land	11.30	—	—	11.30	0.35	0.11	—	0.46	10.84	10.95
Buildings	156.44	75.83	—	232.27	15.83	6.65	—	22.48	209.79	140.61
Plant and Machinery	6,703.68	4,335.22	—	11,038.90	998.17	459.32	—	1,457.49	9,581.41	5,705.51
Furnitures and Fixtures	16.03	15.39	0.01	31.41	2.65	3.66	0.01	6.30	25.11	13.38
Office Equipments	42.27	19.94	0.14	62.07	11.40	6.21	0.07	17.54	44.53	30.87
Vehicles	40.29	2.40	3.02	39.67	5.24	4.02	1.12	8.14	31.53	35.05
<b>Total</b>	<b>6,970.11</b>	<b>4,459.19</b>	<b>3.17</b>	<b>11,426.13</b>	<b>1,033.64</b>	<b>479.97</b>	<b>1.20</b>	<b>1,512.41</b>	<b>9,913.72</b>	<b>5,936.47</b>
Previous Year	6,932.77	37.34	—	6,970.11	699.88	333.76	—	1,033.64	5,936.47	
Capital Work-in-Progress									<u>163.41</u>	<u>153.02</u>

#### Notes :

- Leasehold Land includes one fully paid Equity Share of Rs.0.01 lac in a Company.
- Capital Work-in-Progress includes Pre-operative expenses Rs.100.96 lacs (Previous Year Rs.152.34 lacs).

### Schedule 5 : Investments

#### LONG TERM INVESTMENTS

#### Trade Investments :

##### In Shares

##### Quoted, fully paid up :

43,000	Equity Shares of Reliance Industries Limited of Rs.10/- each	112.19	112.19
2,400,000	Equity Shares of Reliance Capital Limited of Rs.10/- each * @	1,200.00	1,200.00

##### Unquoted, fully paid up :

554,250	Equity Shares of Reliance Europe Limited of Sterling Pound 1/- each *	196.69	196.69
10,500 (1,500)	Equity Shares of Ral Investment Private Limited of Rs.10/- each **	1.05	0.15
10,500 (1,500)	Equity Shares of Verdant Investments Private Limited of Rs.10/- each **	1.05	0.15
10,000 (—)	Equity Shares of Reliance Infrastructure Development Private Limited of Rs.10/- each	1.00	—

##### Unquoted, partly paid up :

— (480,000)	Equity Shares of Reliance Capital Limited of Rs.10/- each; Rs. 5/- paid up*	—	120.00
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## Schedules forming part of the Balance Sheet

		As at 31.03.96 Rs.	(Rs. Lacs)	As at 31.03.95 Rs.
<b>Schedule 5 : Investments (Contd.)</b>				
<b>In Debentures</b>				
<b>Unquoted, fully paid up :</b>				
140,000	Zero Coupon Unsecured Optionally Fully Convertible			
(-)	Debentures of Ral Investment Private Limited of Rs. 100/- each**	140.00		-
30,000	Zero Coupon Unsecured Optionally Fully Convertible Debentures			
(-)	of Verdant Investments Private Limited of Rs. 100/- each**	30.00		-
<b>Other Investments :</b>				
<b>Units :</b>				
<b>Quoted, fully paid up :</b>				
1,100,000	Units (1964 Scheme) of Unit Trust of India			
(17,800,000)	(1,100,000 Units have been deposited with Bombay Port Trust)	209.00		3,127.00
		<u>1,890.98</u>		<u>4,756.18</u>

\* Body Corporate under the same management.

@ Includes 19 lacs shares having a lock-in period upto 17th July, 1999 and  
5 lacs shares having a lock-in period upto 28th October, 1999.

\*\* Ceased to be a Subsidiary Company during the year.

**Aggregate Value of :**

	Book Value	Market Value	Book Value	Market Value
Quoted Investments	1,521.19	2,585.90	4,439.19	6,277.44
Unquoted Investments	369.79	-	316.99	-

**Schedule 6 : Sundry Debtors**

(Unsecured and Considered Good)

Debts outstanding for a period exceeding six months	-	-
Other Debts	139.73	144.50
	<u>139.73</u>	<u>144.50</u>



## Schedules forming part of the Balance Sheet

	As at 31.03.96 Rs.	(Rs. Lacs)	As at 31.03.95 Rs.
<b>Schedule 7 : Cash and Bank Balances</b>			
Cash on hand	2.27		11.82
Balances with Scheduled Banks:			
In Current Accounts	59.77		16.62
In Deposit Accounts	3.27		5.72
	<u>65.31</u>		<u>34.16</u>
<b>Schedule 8 : Loans and Advances</b> (Unsecured and Considered Good)			
Application money pending allotment of Debentures by Subsidiary Companies	—		170.00
Advances recoverable in cash or in kind or for value to be received #	6,111.55		5,823.14
	<u>6,111.55</u>		<u>5,993.14</u>
<b>Schedule 9 : Current Liabilities and Provisions</b>			
<b>Current Liabilities :</b>			
Sundry Creditors	504.44		270.73
Other Liabilities	10,787.22		13,957.55
Interest accrued but not due on loans	2.25		3.17
	<u>11,293.91</u>		<u>14,231.45</u>
<b>Provisions :</b>			
Proposed Dividend	407.70	356.46	
Gratuity and Other Staff Benefits	12.41	3.49	
Wealth Tax	0.05	0.08	
	<u>420.16</u>		<u>360.03</u>
	<u>11,714.07</u>		<u>14,591.48</u>
<b>Schedule 10 : Miscellaneous Expenditure</b>			
Preliminary Expenses	85.84		43.01
Share Issue Expenses	41.66		48.66
Premium on Prepayment of Term Loans	71.48		104.87
Deferred Revenue Expenditure	96.19		—
	<u>295.17</u>		<u>196.54</u>

# Note : Includes Rs.10.00 Lacs (Previous Year Rs. 10.73 lacs) due from a Director of the Company.  
Maximum amount due at any time during the year Rs.10.00 lacs (Previous Year Rs. 10.73 lacs).

**Schedules forming part of the Profit and Loss Account**

			(Rs. Lacs)	
	Rs.	1995-96 Rs.	Rs.	1994-95 Rs.
<b>Schedule 11 : Sales and Service</b>				
Income From Operations (Tax deducted at source Rs.5.53 lacs; Previous Year Nil)		2,470.98		1,700.00
Construction and Project Related Activity (Tax deducted at source Rs.72.45 lacs; Previous Year Nil)		265.48		—
Sale of Import Licences		—		464.87
		<u>2,736.46</u>		<u>2,164.87</u>
<b>Schedule 12 : Other Income</b>				
Dividend Income (Tax deducted at source Rs.101.45 lacs ; Previous Year Rs. 30.03 lacs)		438.05		522.26
Interest Income (Tax deducted at source Rs.0.03 lac ; Previous Year Rs.2.94 lacs)		1.23		76.39
Profit on Sale of Investments (Net)		—		347.42
Miscellaneous Income (Tax deducted at source Rs.3.90 lacs ; Previous Year Nil)		30.70		6.17
		<u>469.98</u>		<u>952.24</u>
<b>Schedule 13 : Establishment and Other Expenses</b>				
Salaries and Wages	116.92		54.10	
Contribution to Provident Fund and Other Funds	10.80		4.07	
Staff Welfare Expenses	23.69		11.62	
		151.41		69.79
Stores and Spares Consumed		7.74		0.65
Repairs and Maintenance :				
— Plant and Machinery	53.58		34.81	
— Buildings	0.04		2.91	
— Others	10.27		16.61	
		63.89		54.33
Purchase of Import Licences		—		443.99
Plant Utilities		46.93		40.30
Power, Fuel and Electricity Charges		32.56		4.92
Rent, Rates and Taxes		72.90		27.13
Insurance Charges		40.27		31.08
Legal and Professional Charges		12.15		11.06
Travelling and Conveyance Expenses		10.68		16.95
Printing, Stationery, Postage and Telephone Expenses		28.78		20.32
Vehicle Expenses		48.83		19.76
Managerial Remuneration		6.67		5.90
Auditors' Remuneration		3.00		2.00
Lease Rent - Machinery		70.84		71.49
Service and Supervision Charges		34.24		25.19
Miscellaneous Expenses		35.13		18.25
Loss on Sale of Investments (Net)		58.21		—
Loss on Sale of Fixed Assets		0.20		—
		<u>724.43</u>		<u>863.11</u>
<b>Schedule 14 : Interest</b>				
On Term Loan		55.19		75.21
Others		0.78		2.26
		<u>55.97</u>		<u>77.47</u>





## Schedule 15 : Notes on Accounts

### 1. Significant Accounting Policies

#### (a) System of Accounting :

The Company maintains its accounts on accrual basis. Income from Construction Contracts is accounted based on Completed Contract Method and is net of the expenditure incurred in execution thereof.

#### (b) Fixed Assets :

- i) Fixed Assets are recorded at cost of acquisition inclusive of relevant levies, transportation and other expenses incidental to installation. The pre-operative expenses upto the date of commissioning are added to the cost of the assets.
- 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.

#### (c) Depreciation :

Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Cost of leasehold land has been amortised over the period of lease.

#### (d) Foreign Exchange Transactions :

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

#### (e) Investments :

Long term investments are carried at cost. Cost is arrived at by applying specific identification method.

#### (f) Work-in-Progress :

Work-in-Progress is stated at cost.

#### (g) Lease Rent :

Lease rentals are 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.

#### (h) Retirement Benefits :

Gratuity and Leave Encashment benefit on retirement are charged to Profit and Loss Account on the basis of actuarial valuation.

#### (i) Preliminary Expenses, Share Issue Expenses, Deferred Revenue Expenditure and Prepayment Premium :

- i) Preliminary expenses and Share Issue expenses are written off over a period of ten years. Deferred revenue expenditure is written off over a period of fifteen years.
- ii) Premium paid on prepayment of the secured loans from Financial Institutions is amortised proportionately over the unexpired period of the loans.

2. The previous year's figures have been regrouped and / or rearranged wherever necessary.

3. (a) The Company has been advised that the computation of net profits for the purpose of Directors' 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.

(b) Managerial Remuneration includes :-

	(Rs. Lacs)	
	1995-96 Rs.	1994-95 Rs.
Salary	4.32	3.84
Perquisites in cash or in kind	2.35	2.06
	<u>6.67</u>	<u>5.90</u>

**Notes on Accounts (Contd.)****4. Pre-operative Expenses included in Capital Work-in-Progress**

		(Rs. Lacs)	
	As at 1995-96		As at 1994-95
	Rs.	Rs.	Rs.
Brought forward from previous year	152.34		—
Salaries and Wages	5.41		11.29
Staff Welfare Expenses	1.72		2.95
Stores and Spares Consumed	0.11		0.26
Repairs and Maintenance :			
– Plant and Machinery	0.41	0.64	
– Others	0.58	1.89	
	<u>0.99</u>		2.53
Power and Fuel	2.98		7.60
Rent, Rates and Taxes	93.85		6.42
Insurance Charges	2.08		—
Legal and Professional Charges	0.96		5.39
Travelling and Conveyance Expenses	1.76		5.30
Printing, Stationery, Postage and Telephone Expenses	1.77		3.41
Vehicle Expenses	2.20		6.98
Service and Supervision Charges	2.66		2.94
Advertisement and Publicity	—		0.01
Compensation	32.08		89.12
Miscellaneous Expenses	31.21		8.14
	<u>332.12</u>		152.34
Less : Capitalised to Buildings and Plant & Machinery	231.16		—
Closing Balance	<u>100.96</u>		<u>152.34</u>

**5. Auditors' Remuneration**

a) Audit Fees	1.75	1.10
b) Tax Audit Fees	0.75	0.55
c) For Certification and Consultation in Finance and Tax matters	0.50	0.35
	<u>3.00</u>	<u>2.00</u>

6. a) In the absence of taxable income, provision for Income Tax has not been made for the year.  
b) Income Tax Assessment of the Company has been completed upto Assessment Year 1993-1994.

**7. Expenditure in Foreign Currency on account of**

	(Rs. Lacs)	
	1995-96	1994-95
	Rs.	Rs.
Travelling Expenses	2.38	7.49
Legal and Professional	7.92	—
Other Matters	1.54	4.37

**8. Contingent Liabilities**

	(Rs. Lacs)	
	As at 31st March, 1996	As at 31st March, 1995
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	5047.51	1619.40
(b) Letters of Guarantee issued to Banks and others	3032.28	32.33
(c) Uncalled liability on partly paid up Shares	—	120.00



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

### I. Registration Details

Registration No.	49019	State Code	11
Balance Sheet Date	31st March, 1996		

### II. Capital raised during the year (Amount Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

### III. Position of Mobilisation and Deployment of Funds during the year (Amount Rs. Thousands)

Total Liabilities	Total Assets
686,654	686,654
<b>Sources of Funds:</b>	
Paid up Capital	Reserves and Surplus
151,000	526,284
Secured Loans	Unsecured Loans
9,370	—
<b>Application of Funds:</b>	
Net Fixed Assets	Investments
1,007,713	189,098
Net Current Assets	Miscellaneous Expenditure
(539,674)	29,517
Accumulated Losses	
NIL	

### IV. Performance of the Company during the year (Amount Rs. Thousands)

Turnover	Total Expenditure
273,646	126,037
Profit Before Tax	Profit After Tax
194,607	194,607
Earnings per share	Dividend per share
Rs. 12.89	Rs. 2.70

### V. Generic Names of Three Principal Products/Service of the Company

(As per monetary terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	Construction, Setting up of Industrial Infrastructure and Project Related Activities.

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

**H. P. Chaturvedi**  
Partner

**Mumbai**  
Dated : 29th May, 1996

For and on behalf of the Board

**Satyapal Jain** Chairman

**J. R. Shah** Director

**S. C. Malhotra** Executive Director - Technical  
**Mahesh K. Kamdar** Executive Director - Commercial

**N. Shanker** Secretary

**Cash Flow Statement Annexed to the Balance Sheet for the period April, 1995 – March, 1996**

	(Rs. Lacs)			
	1995-96		1994-95	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extraordinary Items		1,946.07		1,842.77
Adjustments for :				
Depreciation	479.97		333.76	
Investments/Dividend Income	(438.06)		(869.68)	
Interest/Other Income	(31.93)		(82.56)	
Lease Rent written off	70.84		71.50	
Preliminary Expenses written off	20.47		11.89	
Gratuity & Other Benefits provided for	8.89		3.54	
Loss on sale of Investments (Net)	58.21		—	
Loss on sale of Assets (Net)	0.20		—	
Interest Expenses	55.98	224.57	77.47	(454.08)
<b>Operating profit before working capital changes</b>		<b>2,170.64</b>		<b>1,388.69</b>
Adjustments for :				
Trade & Other Receivables	(16.99)		(2,261.56)	
Inventories	—		—	
Trade Payables	(3,083.96)	(3,100.95)	452.12	(1,809.44)
<b>Cash generated from operations</b>		<b>(930.31)</b>		<b>(420.75)</b>
Interest paid		(23.51)		(147.22)
<b>Net Cash from Operating Activities</b>		<b>(953.82)</b>		<b>(567.97)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>				
Purchase of Fixed Assets and work-in-progress		(1,702.53)		(2,316.17)
Sale of Fixed Assets		1.75		—
Purchase of investments		(122.80)		(2,449.49)
Application Money for Debentures		—		(170.00)
Sale of Investments		3,099.80		4,301.28
Investments/Dividend Income		336.61		492.23
Interest/Other Income		31.41		92.63
<b>Net Cash used in Investing Activities</b>		<b>1,644.24</b>		<b>(49.52)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Repayment of Long Term Borrowings		(41.68)		(1,343.74)
Repayment of Finance Lease Liabilities		(211.13)		(211.79)
Dividends Paid		(356.46)		(156.60)
Statutory Expenses for Increase in Authorised Capital		(50.00)		—
<b>Net Cash Used in Financing Activities</b>		<b>(659.27)</b>		<b>(1,712.13)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>31.15</b>		<b>(2,329.62)</b>
Opening Balance of Cash and Cash equivalents		34.16		2,363.78
Closing Balance of Cash and Cash equivalents		65.31		34.16

For and on behalf of the Board

Mumbai  
Dated : 29th May, 1996Satyapal Jain  
Chairman**Auditors' Report**

We have verified the attached Cash Flow Statement of Reliance Industrial Infrastructure Limited, derived from the audited financial statements and the books and records maintained by the Company for the years ended 31st March, 1996 and 31st March, 1995 and found the same in agreement therewith.

For **Chaturvedi & Shah**  
Chartered AccountantsMumbai  
Dated : 29th May, 1996H.P. Chaturvedi  
Partner

## ATTENDANCE SLIP

### Reliance Industrial Infrastructure Limited

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

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Attendance Slip on request.

NAME AND ADDRESS OF THE SHAREHOLDER

Master Folio No.

.....  
.....  
.....

No. of Shares held :

I hereby record my presence at the Eighth Annual General Meeting of the Company held at the Ashoka Hall, Arcadia, behind NCPA (Tata Theatre), Nariman Point, Mumbai - 400 021 on Tuesday, 10th September, 1996 at 10.30 a.m.

SIGNATURE OF THE SHAREHOLDER OR PROXY\*

\*Strike out whichever is not applicable.

----- Tear Here -----

## PROXY FORM

### Reliance Industrial Infrastructure Limited

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

Master folio No.

I/We .....

of .....

being a member/members of Reliance Industrial Infrastructure Limited hereby appoint .....

of .....

or failing him ..... of .....

as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held on Tuesday, 10th September, 1996 at 10.30 a.m. or at any adjournment thereof.

Signed this ..... day of ..... 1996

30 Paise  
Revenue  
Stamp

Note : This form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.