

**9th Annual Report  
1996-97**



**Reliance**  
Industrial Infrastructure Limited


**Board of Directors** (w.e.f. July 1, 1997)

Shri Satyapal Jain	<i>Chairman</i>
Shri Bharat C. Gosalia	<i>Executive Director and President</i>
Shri Jayantilal R. Shah	
Shri Sandeep H. Junnarkar	
Shri S. C. Malhotra	
Shri Mahesh K. Kamdar	<i>Executive Director - Commercial</i>
Shri Dilip V. Dherai	<i>Executive Director - Projects</i>
Shri N. Shanker	<i>Secretary</i>

<b>Contents</b>	<b>Page No.(s)</b>
Notice of Annual General Meeting	2
Directors' Report	4
Auditors' Report	6
Balance Sheet	8
Profit and Loss Account	9
Schedules	10
Cash Flow Statement	19
Note on Depository System	20
Circular on Electronic Clearance System	24

**Auditors**

Chaturvedi & Shah

**Solicitors & Advocates**

Kanga & Company

**Bankers**

Syndicate Bank  
State Bank of India  
Indian Bank

**Share Transfer Agents**

Spectrum Corporate Services Limited,  
Shri Ganesh Industrial House,  
1st Floor, 'B' Wing, Near Amar Cinema,  
W.T. Patil Road, Chembur,  
Mumbai – 400 071.  
Phone : 558 1215, 558 2862  
Fax : 558 1214

**Ninth Annual General Meeting**

On Wednesday, 17th September, 1997  
at 11.00 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 Ninth Annual General Meeting of the Members of **Reliance Industrial Infrastructure Limited** will be held on **Wednesday, the 17th September, 1997 at 11.00 a.m. at Ashoka Hall, Arcadia, behind NCPA (Tata Theatre), Nariman Point, Mumbai 400 021** to transact the following business :

### Ordinary Business :

1. To consider and adopt the Balance Sheet as at 31st March, 1997 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 Jayantilal R. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### Special Business :

5. To consider and if thought fit, to pass, with or without modifications, 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, Shri Bharat C. Gosalia, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Shri Bharat C. Gosalia for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the said Act, the Company hereby approves the appointment of and remuneration payable to Shri Bharat C. Gosalia as a **Wholtime Director** designated as **Executive Director and President** of the Company, for a period of five years with effect from 1st July, 1997 on terms and conditions including remuneration as are set out in the Agreement dated 1st July, 1997 entered into between the Company and Shri Bharat C. Gosalia, a copy whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments or modifications that may hereafter be made thereto by the Central Government), as may be agreed to between the Board of Directors and Shri Bharat C. Gosalia;

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, allowances and perquisites within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Shri Bharat C. Gosalia be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this 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 : 8th July, 1997

### 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item nos. 5 & 6 set out above are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 6th September, 1997 to Wednesday, 17th September, 1997 (both days inclusive).
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. The dividend when sanctioned, will be made payable on or after 17th September, 1997 to those Members whose names appear in the Register of Members as on 17th September, 1997.
7. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1993 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.

8. 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
1993-94	17-08-94	09-10-97
1994-95	30-09-95	22-11-98
1995-96	10-09-96	05-11-99

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

10. 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 on or before 17th September, 1997;
- 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 the Company's Share Transfer Agents :-  
M/s. Spectrum Corporate Services Limited,  
Shri Ganesh Industrial House,  
1st Floor, 'B' Wing, Near Amar Cinema,  
W T Patil Road, Chembur,  
Mumbai - 400 071.

## Annexure to Notice

The Explanatory Statement for Item Nos. 5 & 6 of the accompanying Notice is as under :

### Item Nos. 5 & 6

Shri Bharat C. Gosalia was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd March, 1997 at the meeting of the Board held on 22nd March, 1997. Pursuant to Section 260 of the Companies Act, 1956, Shri Bharat C. Gosalia will hold office as Additional Director 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 Bharat C. Gosalia for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- as required by said Section 257.

The Board of Directors at its subsequent meeting held on 28th June, 1997, has appointed Shri Bharat C. Gosalia as a Wholetime Director designated as 'Executive Director and President' of the Company for a period of five years with effect from 1st July, 1997, subject to the approval of shareholders at the Annual General Meeting. In terms of Schedule XIII to the Companies Act, 1956 Shri Bharat C. Gosalia is eligible for appointment as a Wholetime Director.

The remuneration payable to Shri Bharat C. Gosalia was also approved by the Board of Directors at its said meeting held on

28th June, 1997.

The Agreement dated 1st July, 1997, entered into by the Company with Shri Bharat C. Gosalia, in respect of his appointment and payment of remuneration, inter alia, contains the following main terms and conditions :

### Salary, Allowances and Perquisites :

Shri Bharat C. Gosalia shall be paid salary and be entitled to perquisites and allowances including house rent allowance and reimbursement of medical expenses / allowance for utilisation of electricity; education allowance; leave travel assistance for self and his family including dependents; furnitures and furnishings as per Company Rules and all other payments in the nature of allowances and perquisites upto Rs. 87,500/- per month (Rs. 10,50,000/- per annum).

In addition to above, Shri Bharat C. Gosalia shall also be eligible to the following :-

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and
- encashment of leave at the end of the tenure.

The terms and conditions as set out in the Agreement may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

The Agreement may be terminated by either party by giving to the other party three months' notice in writing.

*The above may be treated as an abstract of the Agreement entered into between the Company and Shri Bharat C. Gosalia, pursuant to Section 302 of the Companies Act, 1956.*

The Agreement dated 1st July, 1997 entered into between the Company and Shri Bharat C. Gosalia is available for inspection by the Members of the Company at the Registered Office of the Company on any working day excluding Saturdays upto the date of the ensuing Annual General Meeting between 11.00 a.m and 1.00 p.m

The Directors recommend the resolutions set out at Item Nos. 5 & 6 of the Notice for approval of the shareholders.

Shri Bharat C. Gosalia is deemed to be concerned or interested in the resolutions set out at item Nos. 5 & 6 of the Notice as they pertain to his appointment and remuneration payable to him.

None of the other Directors of the Company are, in any way, concerned or interested in the said resolutions.

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 : 8th July, 1997



## Directors' Report

The Directors have pleasure in presenting their 9th Annual Report and the audited accounts for the financial year ended 31st March, 1997.

Financial Results :	(Rs in lacs)	
	1996-97	1995-96
Income	3,495	3,206
Profit before interest and depreciation	2,711	2,482
Less : Interest	236	56
Profit before Depreciation (Cash Profit)	2,475	2,426
Less : Depreciation	846	480
Profit for the year	1,629	1,946
Add : Balance In Profit and Loss Account	302	264
Available for Appropriations	1,931	2,210
Proposed Dividend including tax on dividend	465	408
Transferred to General Reserve	200	1500
Balance carried to Balance Sheet	1,266	302

### Dividend :

The Directors have recommended a dividend of Rs. 2.80 per Equity Share of Rs. 10/- each, for the financial year ended 31st March, 1997, which if approved at the forthcoming Annual General Meeting will be paid to all those Equity Shareholders whose names appear on the Register of Members as on 17th September, 1997.

### Future Outlook:

Members would be pleased to note that the Company has started participating in the construction activities being carried out at Jamnagar, Gujarat by Reliance Group. As a result, the overall working is expected to improve further in the coming years.

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

The requirements of furnishing information of conservation of

energy and technology absorption is not applicable to the Company.

The total foreign exchange outgo during the year under review was equivalent to Rs 6.88 lacs.

### Fixed Deposits :

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

### Depository Services to Investors :

During the year, the Company has entered into an Agreement with National Securities Depository Limited (NSDL) consequent to which the Equity Shares of the Company have become an eligible security for participation in the Depository System of NSDL. This would now facilitate investors of the Company to avail of the facilities contemplated under the Depository System. A detailed note on the benefits available and procedure under the Depository System appears elsewhere in this report.

### Share Transfer Agents :

The Company has appointed Spectrum Corporate Services Limited, as its new Share Transfer Agents with effect from 5th March, 1997. Shareholders are requested to direct all their correspondence relating to their shareholdings to the new Share Transfer Agents at the address given elsewhere in this report.

### Directors :

Shri Bharat C. Gosalia was appointed as an Additional Director on 22nd March, 1997. He was thereafter appointed as a Wholtime Director designated as **Executive Director and President** of the Company with effect from 1st July, 1997. He holds Office as Director until the conclusion of this Annual General Meeting and is eligible for appointment. The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the appointment of Shri Bharat C. Gosalia as a Director.

Shri S.C. Malhotra ceased to be the Executive Director-Technical with effect from 1st July, 1997 but continues as an ordinary Director on the Board.

In accordance with the requirements of the Companies Act,



1956 and the Company's Articles of Association, Shri Jayantilal R. Shah is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. 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 in the said Section.

**Acknowledgement :**

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

For and on behalf of the Board

**Satyapal Jain**  
Chairman

**Mumbai,**  
**Dated : 8th July, 1997**



## 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, 1997 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 the Significant Accounting Policies and other 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, 1997, 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 : 28th June, 1997

## 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. As explained to us, stocks of stores, spare parts and construction materials which are included under work-in-progress have been physically verified by the management at reasonable intervals during the year.
4. As per the information given to us, the procedure of physical verification of stocks followed by the management are in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not material.
6. In our opinion, the valuation of stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. 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 companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
8. 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.
9. 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.



10. 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.
11. 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.
12. As explained to us, the Company does not have any damaged stores or unserviceable items.
13. 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.
14. In our opinion the internal audit system of the Company is commensurate with the size and nature of its business.
15. 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.
16. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with appropriate authorities.
17. 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, 1997 for a period of more than six months from the date they became payable.
18. 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.
19. 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.
20. 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 : 28th June, 1997



**Balance Sheet as at 31st March, 1997**

	Schedule No.		(Rs. Lacs)		
		Rs.	As at 31.03.97 Rs.	Rs.	As at 31.03.96 Rs.
<b>Sources of Funds :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	1,510.00		1,510.00	
Reserves and Surplus	2	4,603.03		5,262.84	
			6,113.03		6,772.84
<b>Loan Funds :</b>					
Secured Loans	3	52.02		93.70	
Unsecured Loans	4	1,650.00		—	
			1,702.02		93.70
<b>Total</b>			<b>7,815.05</b>		<b>6,866.54</b>
<b>Application of Funds :</b>					
<b>Fixed Assets :</b>					
Gross Block	5	16,393.16		11,426.13	
Less : Depreciation		4,173.26		1,512.41	
Lease Adjustment		69.42		—	
Net Block		12,150.48		9,913.72	
Capital work-in-Progress		879.93		163.41	
			13,030.41		10,077.13
<b>Investments</b>	6		1,890.98		1,890.98
<b>Current Assets, Loans and Advances :</b>					
Work-in-Progress		102.73		—	
Sundry Debtors	7	249.38		139.73	
Cash and Bank Balances	8	57.21		32.16	
Other Current Assets		0.96		0.74	
Loans and Advances	9	5,974.92		6,111.55	
		6,385.20		6,284.18	
Less : Current Liabilities and Provisions	10	13,736.73		11,680.92	
<b>Net Current Assets</b>			(7,351.53)		(5,396.74)
<b>Miscellaneous Expenditure</b>	11		245.19		295.17
(To the extent not written off or adjusted)					
<b>Total</b>			<b>7,815.05</b>		<b>6,866.54</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

H. P. Chaturvedi  
Partner

Mumbai  
Dated : 28th June, 1997

For and on behalf of the Board

**Bharat C. Gosalia**

Jayantilal R. Shah

Sandeep H. Junnarkar

Dilip V. Dherai

N. Shanker

Directors

Executive Director - Projects

Secretary



## Profit and Loss Account for the year ended 31st March, 1997

		(Rs. Lacs)			
	Schedule	1996-97	1995-96		
	No.	Rs.	Rs.	Rs.	Rs.
<b>Income</b>					
Sales and Service	12	3,086.72		2,736.46	
Other Income	13	408.32		469.98	
			3,495.04		3,206.44
<b>Expenditure</b>					
Establishment and Other Expenses	14	784.77		724.43	
Interest	15	235.89		55.97	
			1,020.66		780.40
Profit Before Depreciation			2,474.38		2,426.04
Depreciation		2,669.11		479.97	
Less : Transfer from General Reserve (Refer Note 2 of Schedule 17)		1,823.28		—	
			845.83		479.97
<b>Profit for the Year</b>			1,628.55		1,946.07
Add : Balance brought forward from last year			302.84		264.47
<b>Amount Available for Appropriations</b>			1,931.39		2,210.54
<b>Appropriations</b>					
General Reserve		200.00		1,500.00	
Proposed Dividend on Equity Shares		422.80		407.70	
Tax on Proposed Dividend		42.28		—	
			665.08		1,907.70
<b>Balance carried to Balance Sheet</b>			1,266.31		302.84
<b>Significant Accounting Policies</b>	16				
<b>Notes on Accounts</b>	17				

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

**H. P. Chaturvedi**  
Partner

Mumbai  
Dated : 28th June, 1997

For and on behalf of the Board

**Bharat C. Gosalia**

**Jayantilal R. Shah**

**Sandeep H. Junnarkar**

**Dilip V. Dherai**

**N. Shanker**

*Directors*

*Executive Director - Projects*

*Secretary*

**Schedules forming part of the Balance Sheet**

	Rs.	As at 31.03.97 Rs.	(Rs. Lacs) Rs.	As at 31.03.96 Rs.
<b>Schedule 1 : Share Capital</b>				
<b>Authorised :</b>				
200,000,000 Equity Shares of Rs.10/- each (200,000,000)		<u>20,000.00</u>		<u>20,000.00</u>
<b>Issued, Subscribed and Paid up :</b>				
15,100,000 Equity Shares of Rs.10/- each fully paid up (15,100,000)		<u>1,510.00</u>		<u>1,510.00</u>
<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	4,000.00		2,500.00	
Less : Transfer to Profit and Loss Account (Refer Note 2 of Schedule 17)	<u>1,823.28</u>		—	
	2,176.72		2,500.00	
Add : Transferred from Profit and Loss Account	<u>200.00</u>		<u>1,500.00</u>	
		2,376.72		4,000.00
<b>Profit and Loss Account</b>		1,266.31		302.84
		<u>4,603.03</u>		<u>5,262.84</u>
<b>Schedule 3 : Secured Loans</b>				
From Financial Institutions		52.02		93.70
		<u>52.02</u>		<u>93.70</u>
<b>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.</b>				
<b>Schedule 4 : Unsecured Loans</b>				
From Bodies Corporate		1,650.00		—
		<u>1,650.00</u>		<u>—</u>



## Schedules forming part of the Balance Sheet

### Schedule 5 : Fixed Assets

(Rs. Lacs)

Description	Gross Block (At Cost)				Depreciation				Lease Adjustment	Net Block	
	As at 01.04.96	Additions	Deductions	As at 31.03.97	Upto 01.04.96	For the year	Deductions	Upto 31.03.97		As at 31.03.97	As at 31.03.96
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets For Own Use :</b>											
Freehold Lands	10.51	8.64	-	19.15	-	-	-	-	-	19.15	10.51
Leasehold Land	11.30	-	-	11.30	0.46	0.12	-	0.58	-	10.72	10.84
Buildings	232.27	-	-	232.27	22.48	7.58	-	30.06	-	202.21	209.79
Plant and Machinery	11,038.90	23.90	8.14	11,054.66	1,457.49	2,575.24	4.37	4,028.36	-	7,026.30	9,581.41
Construction Machinery	-	2,866.25	-	2,866.25	-	23.35	-	23.35	-	2,842.90	-
Furnitures and Fixtures	31.41	1.60	-	33.01	6.30	2.27	-	8.57	-	24.44	25.11
Office Equipments	62.07	8.72	2.27	68.52	17.54	6.87	0.63	23.78	-	44.74	44.53
Vehicles	39.67	0.44	10.76	29.35	8.14	3.43	3.26	8.31	-	21.04	31.53
Sub-Total	11,426.13	2,909.55	21.17	14,314.51	1,512.41	2,618.86	8.26	4,123.01	-	10,191.50	9,913.72
<b>Assets Given on Lease :</b>											
Plant and Machinery	-	2,078.65	-	2,078.65	-	50.25	-	50.25	69.42	1,958.98	-
Sub-Total	-	2,078.65	-	2,078.65	-	50.25	-	50.25	69.42	1,958.98	-
Grand Total	11,426.13	4,988.20	21.17	16,393.16	1,512.41	2,669.11	8.26	4,173.26	69.42	12,150.48	9,913.72
Previous Year	6,970.11	4,459.19	3.17	11,426.13	1,033.64	479.97	1.20	1,512.41	-	9,913.72	
Capital Work-in-Progress										879.93	163.41

#### 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. 386.12 lacs (Previous Year Rs.100.96 lacs).

(Rs. Lacs)

		As at 31.03.97 Rs.	As at 31.03.96 Rs.
<b>Schedule 6 : Investments</b>			
<b>LONG TERM INVESTMENTS</b>			
<b>Trade Investments :</b>			
<b>In Shares</b>			
<b>Quoted, fully paid up :</b>			
43,000 (43,000)	Equity Shares of Reliance Industries Limited of Rs.10/- each	112.19	112.19
2,400,000 (2,400,000)	Equity Shares of Reliance Capital Limited of Rs.10/- each * @	1,200.00	1,200.00
<b>Unquoted, fully paid up :</b>			
554,250 (554,250)	Equity Shares of Reliance Europe Limited of Sterling Pound 1/- each *	196.69	196.69
10,500 (10,500)	Equity Shares of Ral Investment Private Limited of Rs.10/- each	1.05	1.05
10,500 (10,500)	Equity Shares of Verdant Investments Private Limited of Rs.10/- each	1.05	1.05
10,000 (10,000)	Equity Shares of Reliance Infrastructure Development Private Limited of Rs.10/- each	1.00	1.00

**Schedules forming part of the Balance Sheet**

		(Rs. Lacs)	
	As at 31.03.97 Rs.		As at 31.03.96 Rs.
<b>Schedule 6 : Investments (Continued)</b>			
<b>In Debentures</b>			
<b>Unquoted, fully paid up :</b>			
140,000 Zero Coupon Unsecured Optionally Fully Convertible Debentures (140,000) of Ral Investment Private Limited of Rs. 100/- each	140.00		140.00
30,000 Zero Coupon Unsecured Optionally Fully Convertible Debentures (30,000) of Verdant Investments Private Limited of Rs. 100/- each	30.00		30.00
<b>Other Investments :</b>			
<b>Units :</b>			
<b>Quoted, fully paid up :</b>			
1,210,000 Units (1964 Scheme) of Unit Trust of India (1,100,000) (1,100,000 Units have been deposited with Mumbai Port Trust)	209.00		209.00
	<u>1,890.98</u>		<u>1,890.98</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.

**Aggregate Value of :**

	Book Value	Market Value	Book Value	Market Value
Quoted Investments	1,521.19	1,644.39	1,521.19	2,585.90
Unquoted Investments	369.79	—	369.79	—

**Schedule 7 : Sundry Debtors**

(Unsecured and Considered Good)

Debts outstanding for a period exceeding six months	—	—
Other Debts	249.38	139.73
	<u>249.38</u>	<u>139.73</u>



## Schedules forming part of the Balance Sheet

	As at 31.03.97 Rs.	(Rs. Lacs)	As at 31.03.96 Rs.
<b>Schedule 8 : Cash and Bank Balances</b>			
Cash on hand	0.71		2.27
Balances with Scheduled Banks :			
In Current Accounts	50.73		26.62
In Deposit Accounts	5.77		3.27
	<u>57.21</u>		<u>32.16</u>
<b>Schedule 9 : Loans and Advances</b>			
(Unsecured and Considered Good)			
Advances recoverable in cash or in kind or for value to be received	5,974.92		6,111.55
	<u>5,974.92</u>		<u>6,111.55</u>
<b>Note :</b> Includes Rs.10.00 Lacs (Previous Year Rs. 10.00 lacs) due from a Director of the Company. Maximum amount due at any time during the year Rs.10.00 lacs (Previous Year Rs. 10.00 lacs).			
<b>Schedule 10 : Current Liabilities and Provisions</b>			
<b>Current Liabilities :</b>			
Sundry Creditors	1,538.60		504.44
Unclaimed Dividends	18.50		18.19
Other Liabilities	11,692.21		10,735.88
Interest accrued but not due on loans	1.22		2.25
	<u>13,250.53</u>		<u>11,260.76</u>
<b>Provisions :</b>			
Wealth Tax	0.01	0.05	
Gratuity and Other Staff Benefits	21.11	12.41	
Proposed Dividend	422.80	407.70	
Tax on Proposed Dividend	<u>42.28</u>	<u>—</u>	
	<u>486.20</u>		<u>420.16</u>
	<u>13,736.73</u>		<u>11,680.92</u>
<b>Schedule 11 : Miscellaneous Expenditure</b>			
Preliminary Expenses	75.95		85.84
Share Issue Expenses	34.65		41.66
Premium on Prepayment of Term Loans	38.17		71.48
Deferred Revenue Expenditure	96.42		96.19
	<u>245.19</u>		<u>295.17</u>

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

	Rs.	1996-97 Rs.	(Rs. Lacs) Rs.	1995-96 Rs.
<b>Schedule 12 : Sales and Service</b>				
Income From Operations		2,960.00		2,470.98
(Tax deducted at source Rs. 8.64 lacs; Previous Year Rs. 5.53 lacs)				
Construction and Project Related Activity		126.72		265.48
(Tax deducted at source Rs. 1.36 lacs; Previous Year Rs. 72.45 lacs)				
		<u>3,086.72</u>		<u>2,736.46</u>
<b>Schedule 13 : Other Income</b>				
Lease Income	311.09		—	
Less : Lease Equalisation	<u>69.42</u>		<u>—</u>	
		241.67		—
Dividend Income from Long Term Investments		89.38		438.05
(Tax deducted at source Rs.5.06 lacs; Previous Year Rs. 101.45 lacs)				
Interest Income		42.50		1.23
(Tax deducted at source Rs.4.58 lacs; Previous Year Rs.0.03 lac)				
Miscellaneous Income		34.77		30.70
(Tax deducted at source Rs.2.97 lacs ; Previous Year Rs.3.90 lacs)				
		<u>408.32</u>		<u>469.98</u>
<b>Schedule 14 : Establishment and Other Expenses</b>				
Salaries, Wages and Bonus	160.40		123.59	
Contribution to Provident Fund and Other Funds	10.44		10.80	
Employees' Welfare Expenses	<u>22.19</u>		<u>23.69</u>	
		193.03		158.08
Stores and Spares Consumed		15.74		7.74
Repairs and Maintenance :				
— Plant and Machinery	42.30		53.58	
— Buildings	0.17		0.04	
— Others	<u>28.63</u>		<u>10.27</u>	
		71.10		63.89
Plant Utilities		60.00		46.93
Power, Fuel and Electricity Charges		48.09		32.56
Rent, Rates and Taxes		105.48		72.90
Insurance Charges		46.53		40.27
Professional Fees		26.01		12.15
Travelling and Conveyance Expenses		6.26		10.68
Printing, Stationery, Postage and Telephone Expenses		19.17		28.78
Vehicle Expenses		46.43		48.83
Payment to Auditors		3.50		3.00
Lease Rent		70.84		70.84
Service Charges		35.28		34.24
Miscellaneous Expenses		37.31		35.13
Loss on Sale of Investments (Net)		—		58.21
Loss on Sale of Discarded Assets		—		0.20
		<u>784.77</u>		<u>724.43</u>
<b>Schedule 15 : Interest</b>				
Interest – Term Loan		47.25		55.19
Others		188.64		0.78
		<u>235.89</u>		<u>55.97</u>



## Schedule 16 : Significant Accounting Policies

### 1 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.

### 2 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.

### 3 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 : on transport facility and monitoring system for petrochemical products which were commissioned before 1.4.1995, 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.

The cost of leasehold land has been amortised over the period of lease.

### 4 Foreign Currency Transactions :

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

### 5 Investments :

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

### 6 Work-in-Progress :

Work-in-Progress is stated at cost.

### 7 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.

### 8 Employee Retirement Benefits :

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

### 9 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.



**Schedule 17 : Notes on Accounts**

- 1 The previous year's figures have been reworked, regrouped, rearranged and/or reclassified wherever necessary.
- 2 Considering the liberalised regime, advancement in technologies and reduced tariffs in respect of transport facilities and its monitoring systems for petrochemical products, the method of depreciation has now been changed from straight line method (SLM) to written down value method (WDV) as indicated in Item 3 of Schedule 16 for such plants which were commissioned before 1.4.1995.

In compliance with Accounting Standards (AS6) issued by the Institute of Chartered Accountants of India, depreciation has been recomputed from the date of commissioning of such plant at the WDV rates applicable to those years. Consequent to these changes, there is an additional charge during the year of Rs.1,823.28 lacs relating to previous years and an equivalent amount has been withdrawn from General Reserve and credited to Profit and Loss Account.

Had there been no change in the method of depreciation, the charge for the year would have been lower by Rs. 227.10 lacs, excluding the charge relating to previous years. Consequently, Reserves and Surplus and Net Block of Fixed Assets would have been higher by Rs. 2050.38 lacs.

- 3 Fixed Assets taken on lease amounts to Rs. 803.39 lacs (previous year Rs.803.39 lacs). Future obligations towards lease rentals under the lease agreement as on 31st March, 1997 amounts to Rs.219.16 lacs (previous year Rs.430.29 lacs).
- 4 (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) Establishment and Other expenses include Managerial Remuneration by way of :-

	(Rs. Lacs)	
	1996-97	1995-96
	Rs.	Rs.
Salary	5.41	6.68
Contribution to Provident Fund	0.34	0.43
Perquisites	0.52	0.27
	<u>6.27</u>	<u>7.38</u>

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

**5 Pre-operative Expenses included in Capital Work-in-Progress**

	(Rs. Lacs)	
	As at 1996-97	As at 1995-96
	Rs.	Rs.
Brought forward from previous year	100.96	152.34
Salaries and Wages	0.52	5.41
Employees' Welfare Expenses	1.56	1.72
Stores and Spares Consumed	—	0.11
Repairs and Maintenance :		
— Plant and Machinery	—	0.41
— Others	—	0.58
	<u>—</u>	<u>0.99</u>
Power and Fuel	—	2.98
Rent, Rates and Taxes	280.25	93.85


**5 Pre-operative Expenses included in Capital Work-in-Progress (Continued)**

	(Rs. Lacs)	
	As at 1996-97	As at 1995-96
Rs.	Rs.	Rs.
Insurance Charges	—	2.08
Professional Fees	0.01	0.96
Travelling and Conveyance Expenses	0.11	1.76
Printing, Stationery, Postage and Telephone Expenses	0.01	1.77
Vehicle Expenses	0.30	2.20
Service Charges	1.80	2.66
Compensation	—	32.08
Miscellaneous Expenses	0.60	31.21
	<u>386.12</u>	<u>332.12</u>
Less : Capitalised to Buildings and Plant & Machinery	—	231.16
Closing Balance	<u>386.12</u>	<u>100.96</u>

**6 Auditors' Remuneration**

a) Audit Fees	2.00	1.75
b) Tax Audit Fees	1.00	0.75
c) For Certification and Consultation in Finance and Tax matters	0.50	0.50
	<u>3.50</u>	<u>3.00</u>

- 7 a) No provision for tax has been made in Accounts in the absence of any taxable income for the year after considering benefits admissible under the provisions of the Income Tax Act, 1961.
- b) Income Tax Assessment of the Company has been completed upto Assessment Year 1994-1995.

**8 Expenditure in Foreign Currency on account of**

	(Rs. Lacs)	
	1996-97	1995-96
	Rs.	Rs.
Travelling Expenses	2.46	2.38
Professional Fees	3.94	7.92
Other Matters	0.48	1.54

**9 Contingent Liabilities**

	(Rs. Lacs)	
	As at 31st March, 1997	As at 31st March, 1996
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	4187.55	5047.51
(b) Letters of Guarantee issued to Banks and others	436.53	3032.28
(c) Claims against the Company not acknowledged as debts	560.28	—

**10. Balance Sheet Abstract and Company's General Business Profile****I. Registration Details**

Registration No.	1	1	-	4	9	0	1	9	State Code :							1	1
Balance Sheet Date	3	1	.	0	3	.	9	7									

**II. Capital raised during the year (Rs. in Thousands)**

Public Issue						N	I	L	Rights Issue							N	I	L
Bonus Issue						N	I	L	Private Placement							N	I	L

**III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)**

Total Liabilities		2	1	5	5	1	7	8	Total Assets		2	1	5	5	1	7	8
SOURCES OF FUNDS									APPLICATION OF FUNDS								
Paid up Capital			1	5	1	0	0	0	Net Fixed Assets		1	3	0	3	0	4	1
Reserves and Surplus			4	6	0	3	0	3	Investments			1	8	9	0	9	8
Secured Loans					5	2	0	2	Net Current Assets		(-)	7	3	5	1	5	3
Unsecured Loans			1	6	5	0	0	0	Misc. Expenditure				2	4	5	1	9
									Accumulated Losses						N	I	L

**IV. Performance of Company (Rs. in Thousands)**

Turnover			3	0	8	6	7	2	Total Expenditure			1	8	6	6	4	9
Profit Before Tax			1	6	2	8	5	5	Profit After Tax			1	6	2	8	5	5
Earning per Share in Rs.				1	0	.	7	9	Dividend per Share Rs.					2	.	8	0

**V. Generic Names of Principal Products/Services 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	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 : 28th June, 1997

For and on behalf of the Board

**Bharat C. Gosalia**

**Jayantilal R. Shah**

**Sandeep H. Junnarkar**

**Dilip V. Dherai**

**N. Shanker**

Directors

Executive Director - Projects

Secretary



## Cash Flow Statement Annexed to the Financial Statements

	(Rs. Lacs)		
	1996-97	1995-96	
	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit as per Profit and Loss Account		1,628.55	1,946.07
Adjusted for :			
Depreciation	2,738.53	479.97	
Transferred from General Reserve	(1,823.28)	—	
Lease Income	(311.09)	—	
Investment/Dividend Income	(89.38)	(438.06)	
Interest/Other Income	(76.48)	(31.93)	
Lease Rent written off	70.84	70.84	
Preliminary Expenses written off	24.38	20.47	
Gratuity and Other Staff Benefits provided for	8.66	8.89	
Loss on Sale of Investments (Net)	—	58.21	
Profit/Loss on sale of discarded assets	(0.79)	0.20	
Interest Expenses	235.89	55.98	
	<u>777.28</u>		<u>224.57</u>
<b>Operating profit before working capital changes</b>		<b>2,405.83</b>	<b>2,170.64</b>
Adjusted for :			
Trade and Other Receivables	176.91	(16.99)	
Inventories	(102.73)	2,719.69	
Trade Payables	1,209.72	(3,117.11)	
		<u>1,283.90</u>	<u>(414.41)</u>
<b>Cash generated from operations</b>		<b>3,689.73</b>	<b>1,756.23</b>
Interest paid		(203.61)	(23.51)
<b>Net Cash from Operating Activities</b>		<b>3,486.12</b>	<b>1,732.72</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>			
Purchase of Fixed Assets	(4,931.36)	(4,422.22)	
Sale of Fixed Assets	12.91	1.75	
Purchase of Investments	—	(122.80)	
Sale of Investments	—	3,099.80	
Investments/Dividend Income	84.32	336.61	
Interest/Other Income	72.48	31.41	
<b>Net Cash used in Investing Activities</b>		<b>(4,761.65)</b>	<b>(1,075.45)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Repayment of Long Term Borrowings	(41.68)	(41.68)	
Proceeds from Long Term Borrowings	1,650.00	—	
Lease Income	311.09	—	
Repayment of Finance Lease Liabilities	(211.13)	(211.13)	
Dividends Paid	(407.70)	(356.46)	
Statutory Expenses for Increase in Authorised Capital	—	(50.00)	
<b>Net Cash Used in Financing Activities</b>		<b>1,300.58</b>	<b>(659.27)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>25.05</b>	<b>(2.00)</b>
Opening Balance of Cash and Cash Equivalents		32.16	34.16
Closing Balance of Cash and Cash Equivalents		57.21	32.16

For and on behalf of the Board

Bharat C. Gosalia  
Director

Mumbai  
Dated : 28th June, 1997

### 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, 1997 and 31st March, 1996 and found the same in agreement therewith.

For Chaturvedi & Shah  
Chartered Accountants

H.P. Chaturvedi  
Partner

Mumbai  
Dated : 28th June, 1997



## DEPOSITORY SYSTEM

### (A Guide to the Investors)

#### Introduction

We take pleasure in informing you that your Company has joined hands with **National Securities Depository Limited (NSDL)** to facilitate investors to hold securities in electronic form and trade in these securities. We feel we should share with you certain information regarding the Depository System which would assist you in deciding to opt for holding your securities in electronic (also known as 'book entry') form. The need for a Depository in India was felt for quite some time, especially due to inefficiencies associated with handling large volumes of paper and other problems such as bad deliveries, fake certificates, loss of certificates in transit, mutilation of certificates, delays in transfer, long settlement cycles, etc. To provide a reliable and efficient solution to the above mentioned problems, NSDL has set up the first depository in India. NSDL has a capital base of Rs. 100 crores and is promoted by IDBI, UTI and NSE.

#### What is a Depository?

A Depository is an organisation which holds your securities in the form of electronic book entries in the same way a bank holds your money. Further, a depository transfers securities without actually handling securities, the way a bank transfers funds without actually handling money.

#### Benefits to an investor

- No stamp duty for transfer of securities in the depository. In case of physical shares, stamp duty of 0.5% is payable on transfer of shares.
- Elimination of bad deliveries and all risks

associated with physical certificates such as loss, theft, mutilation, etc.

- After the settlement, pay in and pay out are on the same day for scripless trading, which means you get your securities as well as cash immediately.
- Securities stand transferred in your name on the very next day of pay out. In case of physical shares, transfer of ownership takes 30-60 days or sometimes even more.
- No courier/postal charges.
- Facility for freezing/locking of investor accounts, which enables you to make your account non-operational, for instance if you are abroad.
- Facility to pledge and hypothecate your securities.

#### Services offered by NSDL

NSDL offers the following services to the investors, through its agents viz. Depository Participants :

- Maintenance of investors' beneficial holdings in electronic form.
- Dematerialisation and rematerialisation of securities.
- Facilitation of settlement of trades in electronic shares.
- Electronic credit in case of public offerings and non-cash corporate actions such as rights, bonus, etc.

#### Securities available on the Depository

At present 56 securities are available for Dematerialisation. Of these 38 are available for trading



as well. Another 19 Companies have signed agreements with NSDL for joining the Depository.

### How do you open a Depository account ?

You can open an account with one of the *participants* of NSDL. A *participant* is a market intermediary through whom NSDL interacts with the investors. Annexure "A" gives list of *participants* who are presently offering depository services. Choose a *participant* and

- fill up an **Account Opening Form** available with the *participant* (You can open multiple accounts with the same *participant* as also with different *participants*)
- sign "**Participant - Client Agreement**"
- receive your account number which should be quoted in all your correspondence with your *participant*.
- your *participant* will provide you a **Statement of Holdings and Statement of Transactions** (like a bank pass book) every fortnight giving details of your holdings and transactions in your account.

### Dematerialisation

*You can deposit (i.e. dematerialise) shares of any eligible company which are registered in your name and convert your physical certificates into electronic book entry.*

*You have to just*

- fill a **Dematerialisation Request Form** available with your *participant*.
- submit your share certificates along with the above form (Please write "**SURRENDERED FOR DEMATERIALISATION**" on the face of each certificate before you submit it for dematerialisation).
- Your account will be credited within 15 days.

- If you wish to convert your electronic shares back to physical shares at a later stage, you may do so by applying for **rematerialisation**.

### How do you trade in electronic shares ?

*Buying and selling electronic shares is just like buying and selling physical shares, the only difference is trading in electronic shares is simpler and safer !*

- if you wish to sell your electronic shares, you place an order with your broker (presently an NSE member borker) under the BE segment and instruct your *participant* by way of a **Delivery Instruction** (which is a cheque-like instrument) to debit your account with the number of shares sold by you.
- when you buy electronic shares, you must inform your broker about your depository account number so that the electronic shares bought by you are credited into your account and instruct your *participant* by way of **Receipt Instruction** to receive credit in your account.
- Payment for the electronic shares either bought or sold is made in the same way as in case of physical securities.
- The shares you have bought are transferred in your name the very next day of pay out with no fear that the shares may turn out to be bad deliveries or fakes! No formalities of filling transfer deeds, affixing share transfer stamps and applying to the company for registering the shares in your name!

### For further details, you can contact :

Mr. T Koshy - Vice President National Securities Depository Limited, 5th Floor, Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.  
Phone : 91-22-4972964-70 Fax : 91-22-4972993.



## Annexure – “A”

### LIST OF DEPOSITORY PARTICIPANTS

As on June 20, 1997

	PARTICIPANT	ADDRESS	PHONE
1.	Abhipra Capital Ltd.	BM-I, Dilkush Industrial Complex, G. T. Karnal Road, Azadpur, New Delhi -110033.	011-7127362/7244166
2.	Alankit Assignments Ltd.	103/104, Anarkali Market, Jhandelwala Extn., New Delhi - 100 055.	011 - 7535516-21
3.	Canara Bank	NSDL Unit, 1st Floor, Verma Chambers, 11, Homji Street, Fort, Mumbai - 400 001.	2693157/ 2651086 / 265 8291
4.	Citibank N. A.	Custody Services Ramnord House 77, Dr. A. B. Road, Mumbai - 400 018.	4949275 Ext. 344
5.	Coimbatore Capital Market Services Pvt. Ltd.	K. G. House, 86, Government Arts College Road, Coimbatore - 641 018.	0422 312163 0422 218446 Fax : 0422 211617
6.	Dalmia Securities Ltd.	2nd Floor, 7, Lyons Range, Calcutta - 700 001.	033 - 221 1672 - 5 033 - 220 0080
7.	Deutsche Bank A. G.	D. B. House, Hazarimal Somani Marg, Fort, Mumbai - 400 001.	207 5778/5976/3262/ 3292. Fax: 207 5975
8.	Geojit Securities Ltd.	40/7997, Veekshanam Road, Cochin - 682035.	0484 - 371675, 0484, 373 686
9.	Global Trust Bank Ltd.	67, Mumbai Samachar Marg, Opp. The Stock Exchange, Mumbai, Mumbai - 400 023.	2884383 265 4794/95/97
10.	HDFC Bank Ltd.	Custody Services Sandoz House, Dr. A. B. Road, Worli, Mumbai - 400 018.	4951616
11.	IDBI Capital Market Services Ltd.	IDBI Towers, 13th Floor, Cuffe Parade, Mumbai - 400 005.	2160180/81/82
12.	IIT Corporate Services Ltd.	IIT House, Off M. Vasanji Road, Opp : Vazir Glass Near J.B. Nagar Andheri (E), Mumbai - 400 059.	8225599 8221410
13.	Indsec Securities and Finance Ltd.	4th Floor, Express Building, 14 'E' Road, Churchgate, Mumbai - 400 020.	2872277/2826056 2046753
14.	Action Financial Services Ltd.	Sonawala Bldg., Ground Floor, Green Street Corner, Opp. Old Custom House, Fort, Mumbai - 400 001.	2678506/07
15.	Reliance Capital Ltd.	3rd Floor, Vrindavan Building, Shree Ram Mills Premises, Ganapatrao Kadam Marg, Worli, Mumbai - 400 013.	4962780 Fax : 4962425
16.	S.S. Kantilal Ishwarlal Pvt. Ltd.	3-A Khatau Building, A.D. Modi Marg, Fort, Mumbai - 400 001.	2650120/2651350 Fax : 2651358



	PARTICIPANT	ADDRESS	PHONE
17.	IndusInd Bank Ltd.	IndusInd House, 425, Dadasaheb Bhadkamkar Marg, Mumbai - 400 004.	3857474/9494
18.	Industrial Development Bank of India	3rd Floor, Investment Division, IDBI Towers, Cuffe Parade, Mumbai - 400 005.	2181055/2189117 2189111
19.	Infrastructure Leasing & Financial Services Ltd.	4th Floor, Mahindra Towers, RBC, Worli Mumbai - 400 018.	4935127
20.	Industrial Credit & Invest. Corp. of India	Shanti Bldg., 2nd Floor, 13, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.	2672530 (D) 2618251 Extn. 4015
21.	James Capel Batlivala & Karani Pvt. Ltd.	Construction House, 5 Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.	2659944-59 Fax : 2659991
22.	Kotak Securities	1st Floor, Bakhtawar, Nariman Point, Mumbai - 400 021.	2027040 Extn. 272
23.	Morgan Stanley Trust Company	Forbes Building, 5th Floor, Charanjit Rai Marg, Fort, Mumbai - 400 001.	2096600
24.	National Securities Clearing Corporation Ltd.	Trade World, 2nd Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.	4972950 Extn. 242
25.	Reliance Share and Stock Brokers Ltd.	1203-6, Arcadia, 12th Floor, 195, NCPA, Nariman Point, Mumbai - 400 021.	2845656
26.	Standard Chartered Bank	Poonam Chambers-B, Shivsagar Estate, Dr. A.B. Road, Worli, Mumbai.	4951451/91 Fax : 4950612
27.	Stock Holding Corporation of India Ltd.	44/1 Mehra Estate, L.B.S. Marg, Vikhroli (West) Mumbai - 400 079.	2045483/84/85 5772836
28.	The Hongkong and Shanghai Banking Corporation Ltd.	52/60, M.G. Road, Fort, Mumbai - 400 001.	2658964 (D) 2674921
29.	Dayco Securities Private Ltd.	Stock Exchange Building, 3rd Floor, 7, Lyon Range, Calcutta - 700 001.	033-2202066/ 5066/5680 6775/3072/6372
30.	Janata Sahakari Bank Ltd.	Stock Exchange Branch, 754B Sadashiv Peth Dr. Kumthekar Road, Pune - 411 030.	0212-473429 Fax 0212-471510
31.	Munoth Financial Services Ltd.	1st Floor, Sanghvi Plaza, No. 56, Jermiah Road, Chennai - 600 007.	044-5324833/6420608-11 Fax : 044-6425382





Dear Shareholder,

**"Electronic Clearance System" Facility**

You may be aware that instances of postal interception and loss in transit of documents have been increasing. It is more so in the case of vulnerable documents like Dividend/Interest warrants, where warrants are fraudulently encashed. With a view to resolve this problem, the Reserve Bank of India has made arrangements for direct remittance of Dividend to Payee's Account, through a facility named as **"Electronic Clearance System" (ECS)**. Currently, this facility is available to payees in Bombay, Chennai, Calcutta and Delhi with a limit on remittance of Rs. 25,000/-. Ahmedabad is also expected to be covered shortly.

We propose to offer this ECS facility by remitting dividend due to you through your bank account. This will ensure faster remittance of dividend and eliminate the possibilities of loss in transit. Separate intimation will also be sent to you confirming the remittance of dividend to your bank account.

In case, you wish to opt for the above system of direct remittance to your bank account, please provide us with necessary details about your bank account through the **Form** attached herewith. Please ensure that the **Form**, duly filled in, is reached to our Share Transfer Agents – **Spectrum Corporate Service Limited**, located at :

**Shri Ganesh Industrial House,  
'B' Wing, 1st Floor, Near Amar Cinema,  
W.T. Patil Road, Chembur,  
Mumbai – 400 071.**

latest by 31st August, 1997 to enable us to remit your next dividend to your bank account.

We strongly recommend that you should opt for this system. Please note that you can discontinue this arrangement in future, in case you are not satisfied with the same.

With Regards,

**N. Shanker**  
*Secretary*

The Manager – Customer Care Cell  
**Spectrum Corporate Services Limited**  
**Unit : Reliance Industrial Infrastructure Ltd**  
 Shri Ganesh Industrial House,  
 'B' Wing, First Floor, Near Amar Cinema,  
 W.T. Patil Road, Chembur,  
 MUMBAI – 400 071.

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Page 10 of 10

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25