



Reliance

Industrial Infrastructure
Limited



**Twenty Third Annual Report
2010-2011**



Contents

2	Company Information
3	Notice of Annual General Meeting
5	Report on Corporate Governance
16	Secretarial Audit Report
17	Shareholders' Referencer
26	Directors' Report
28	Auditors' Certificate on Corporate Governance
30	Auditors' Report on Financial Statements
32	Balance Sheet
33	Profit and Loss Account
34	Cash Flow Statement
35	Schedules forming part of Balance Sheet and Profit and Loss Account
40	Significant Accounting Policies and Notes on Accounts
47	Attendance Slip and Proxy Form

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Karvy Computershare Private Limited by sending e-mail to riilnkm@karvy.com.

Company Information

Board of Directors

Mahesh K. Kamdar Chairman
 Chandra Raj Mehta
 Sandeep H. Junnarkar
 S. C. Malhotra
 Dilip V. Dherai Executive Director

Company Secretary

Swatantra Kumar Sethi

Audit Committee

Chandra Raj Mehta Chairman
 Sandeep H. Junnarkar
 S. C. Malhotra

Shareholders' / Investors' Grievance Committee

Chandra Raj Mehta Chairman
 Mahesh K. Kamdar
 Sandeep H. Junnarkar

Remuneration Committee

Chandra Raj Mehta Chairman
 Sandeep H. Junnarkar
 S. C. Malhotra

Auditors

Chaturvedi & Shah

Solicitors & Advocates

Kanga & Co.

Bankers

HDFC Bank Limited
 ICICI Bank Limited
 IDBI Bank Limited
 Syndicate Bank

Registered Office

NKM International House, 5th Floor,
 178 Backbay Reclamation,
 Behind LIC Yogakshema Building,
 Babubhai Chinai Road,
 Mumbai - 400 020, India
 Phone : +91 22 4477 9053
 Fax : +91 22 4477 9052
 Website : <http://www.riil.in>
 e-mail : investor_relations@riil.in

Share Transfer Agent

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

**23rd Annual General Meeting on Thursday, 30th June, 2011 at 11.00 a.m.
 at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chambers, IMC Marg,
 Churchgate, Mumbai – 400 020.**



Notice

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Reliance Industrial Infrastructure Limited will be held on Thursday, 30th June, 2011 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chambers, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following ordinary businesses :

1. To consider and adopt the audited Balance Sheet as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of director retiring by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Messrs Chaturvedi & Shah, Chartered Accountants (Registration No. 101720W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By Order of the Board of Directors

Swatantra Kumar Sethi
Company Secretary

Mumbai
14th April, 2011

Registered Office :

NKM International House, 5th Floor,
178 Backbay Reclamation,
Behind LIC Yogakshema Building,
Babubhai Chinai Road,
Mumbai - 400 020, India
e-mail: investor_relations@riil.in

NOTES :

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The Instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In terms of the Article 143 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri S. C. Malhotra, Director, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment.
4. Brief resume of all Directors including the one proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
8. (a) The Company has already notified closure of Register of Members and Share Transfer Books from Wednesday, 25th May, 2011 to Tuesday, 31st May, 2011 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched on 1st July, 2011 to those Members whose names shall appear on the Company's Register of Members on 25th May, 2011; in respect of shares held in dematerialised form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Share Transfer Agent, Karvy Computershare Private Limited.
11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1994-95 to 2002-03 to the **Investor Education and Protection Fund** established by the Central Government.
12. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent, Karvy Computershare Private Limited.
13. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.riil.in under the section 'Investor Relations'.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / Share Transfer Agent, Karvy Computershare Private Limited, for consolidation into a single folio.
15. Members may please note that the Company has **not issued any new share certificate** consequent to change in name of the Company from **Chembur Patalganga Pipelines Limited** to **CPPL Limited** (with effect from 11th September, 1992) and thereafter to **Reliance Industrial Infrastructure Limited** (with effect from 16th March, 1994) but has sent change of name stickers to be affixed on the share certificates. Members holding shares in physical form who have not received these stickers may please write to the Share Transfer Agent, Karvy Computershare Private Limited, for receiving the stickers from them.
16. Non-Resident Indian Members are requested to inform Share Transfer Agent, Karvy Computershare Private Limited, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. **Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**

By Order of the Board of Directors

Swatantra Kumar Sethi
Company Secretary

Mumbai
14th April, 2011

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Report on Corporate Governance

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

1. Company’s philosophy on Code of Governance

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

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

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

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

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

on-line system that covers all operations of the Company. The gamut of this system includes corporate laws, labour and industrial laws and taxation laws.

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

2. Board Composition and Particulars of Directors

Board Composition

The Board of Directors of the Company (the Board) consists of 5 Directors, out of which 2 are Independent Directors. Composition of the Board and category of Directors are as follows:

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

No Director is related to any other Director on the Board in terms of the definition of ‘relative’ given under the Companies Act, 1956.

Directors' Profile

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

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

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

Shri Kamdar is also on the Board of Reliance Gas Transportation Infrastructure Limited, Paridhi Tradecom Private Limited, Symphony Impex (India) Private Limited, SANA Tradecom Private Limited, The India Film Combine Private Limited and Westward Realty Private Limited. He is a Member of the Audit Committee of Reliance Gas Transportation Infrastructure Limited.

Shri Kamdar holds 482 shares of the Company in his name as on 31st March, 2011.

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

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

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

Shri Mehta does not hold any share of the Company as on 31st March, 2011.

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

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

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

Shri Junnarkar does not hold any share of the Company as on 31st March, 2011.

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

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

Shri Malhotra is also on the Board of Reliance Ports And Terminals Limited and N. M. Hightech Consultancy Private Limited. He is a Member of the Audit Committee of Reliance Ports And Terminals Limited.

Shri Malhotra does not hold any share of the Company as on 31st March, 2011.

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

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

Shri Dherai is also on the Board of Mumbai SEZ Limited. He does not hold any membership of a Committee of the Board in any Company.

Shri Dherai holds 1,700 shares of the Company in his name as on 31st March, 2011.



3. Board meetings, Board Committee meetings and Procedures

(a) Institutionalised decision making process

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

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

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

(i) Minimum four Board meetings are held every year, which are pre-scheduled. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

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

(iii) The Board is given presentations / briefed on areas covering operations of the Company, business environment, business opportunities, business strategy and risk management practices before taking on record the quarterly / annual financial results of the Company.

(iv) The information required to be placed before the Board includes :

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Formation / Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Business plans, capital budgets and any updates.
- Minutes of the Board meetings of unlisted subsidiary companies, if any.
- Minutes of meetings of Audit Committee and other Committees of the Board, as also Resolutions passed by circulation.
- Quarterly results of the Company.
- Appointment or resignation of Chief Financial Officer and Company Secretary.

- Show cause, demand, prosecution notices and penalty notices which are materially important.
 - Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
 - Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems.
 - Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
 - Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
 - Details of any joint venture, acquisitions of companies or collaboration agreement.
 - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
 - Significant labour problems and their proposed solutions. Any significant development in Human Resources.
 - Sale of material nature of investments, subsidiaries and assets which is not in normal course of business.
 - Statement of significant transactions and arrangements entered by unlisted subsidiary companies, if any.
 - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc.
 - Quarterly summary of all long term borrowings made, bank guarantees issued, loans and investments made.
 - Internal Audit findings and External Audit Reports (through the Audit Committee).
 - Significant changes in accounting policies and internal controls.
 - Status of business risk exposures, its management and related action plans.
 - Making of loans and investment of surplus funds.
 - Proposals for investment, mergers and acquisitions.
 - Recommendation / declaration of Dividend.
 - Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.
 - Brief on clarifications made to the press.
- (v) The Chairman of the Board and the Company Secretary in consultation with other concerned team members of the senior management, finalise the agenda papers for the Board meetings.

(c) Board Material distributed in advance

The agenda and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

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

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

(e) Post meeting follow-up mechanism

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

(f) Compliance

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

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

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

Sr. No.	Date	Board Strength	No. of Directors Present
1	20th April, 2010	5	5
2.	17th July, 2010	5	3
3.	4th August, 2010	5	5
4.	16th October, 2010	5	5
5.	19th January, 2011	5	5

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

Name of the Director	Attendance at meetings during 2010-11		No. of Other Directorship(s)*	No. of Membership(s) / Chairmanship(s) of Board Committees in Other Companies **
	Board Meetings	Last AGM		
Mahesh K. Kamdar	4	Yes	1	1
Chandra Raj Mehta	5	Yes	1	2 (including 1 as Chairman)
Sandeep H. Junnarkar	5	Yes	10	5 (including 1 as Chairman)
S. C. Malhotra	4	Yes	1	1
Dilip V. Dherai	5	Yes	1	Nil

* The Directorships held by Directors, as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

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

6. Board Committees

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

(a) Audit Committee

Composition : The Audit Committee of the Board, comprises two Independent Non-Executive Directors namely Shri Chandra Raj Mehta, Chairman and Shri Sandeep H. Junnarkar and one Non-Independent Non-Executive Director, namely Shri S. C. Malhotra. All the Members of the Committee possess financial / accounting expertise / exposure. The composition of the Audit

Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49.

Shri Swatantra Kumar Sethi is the Secretary to the Audit Committee.

Objective : The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the



appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

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

(i) Powers of the Audit Committee

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

(ii) The role of the Audit Committee includes

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of related party transactions; and
 - Qualifications in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the performance of Statutory and Internal Auditors adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up thereon.

- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the Company.
- To review the following information :
 - The management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries, if any, of the Company.
- Review of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

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

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Chandra Raj Mehta	4	4
Sandeep H. Junnarkar	4	4
S. C. Malhotra	4	3

Executives of Accounts Department, Secretarial Department as also Representatives of the Statutory and Internal Auditors attended the Audit Committee Meetings by invitation.

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

(b) Remuneration Committee

Composition : The Remuneration Committee of the Board, comprises two Independent Non-Executive

Directors, namely Shri Chandra Raj Mehta, Chairman and Shri Sandeep H. Junnarkar and one Non-Independent Non-Executive Director, namely, Shri S. C. Malhotra.

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

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

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

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

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

The aggregate value of salary, allowances and perquisites paid for the year ended 31st March, 2011 to Shri Dilip V. Dherai (re-appointed as a Whole-time Director designated as Executive Director with effect from 1st July, 2009 for a period of 5 years) was Rs.28.32 lacs (salary and allowances including Leave Salary / Encashment Rs.26.75 lacs, perquisites Rs.0.34 lac and contribution to provident fund Rs. 1.23 lacs).

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

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

The Company pays sitting fees to all the Directors other than the Whole-time Director, at the rate of Rs.10,000/- for attending each Meeting of the Board and / or Committee thereof. Sitting fees paid for the year ended 31st March, 2011, are as follows :

Shri Mahesh K. Kamdar : Rs.70,000/-, Shri Chandra Raj Mehta : Rs.1,30,000/-, Shri Sandeep H. Junnarkar : Rs.1,30,000/-, Shri S. C. Malhotra : Rs.70,000/-.

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

(c) Shareholders' / Investors' Grievance Committee

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

Terms of reference : The Shareholders' / Investors' Grievance Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of shareholders' / investors' complaints related to transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividend, etc. The Committee oversees performance of the Share

Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Pursuant to the Board's delegation in this regard Shri Dilip V. Dherai, Executive Director and Shri Swatantra Kumar Sethi, Company Secretary, are severally authorized to approve the transfer, transmission etc. of the Company's shares.

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

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

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

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

Investor Grievance Redressal

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

Type of Complaints	No. of Complaints
Non-receipt of Annual Reports	4
Non-receipt of Dividend Warrants	28
Non-receipt of Certificates	6
Others	3
Total	41

There were no outstanding complaints as on 31st March, 2011. Six requests for dematerialisation were pending for approval as on 31st March, 2011, which were processed / approved by 1st April, 2011.

Procedure at Committee Meetings

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

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

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



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

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

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

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

I hereby confirm that :

The Company has obtained, from all the Members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Management Personnel in respect of the financial year 2010-11.

Dilip V. Dherai
Executive Director

8. Subsidiary Monitoring Framework

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

9. General Body Meetings

Details of the last three Annual General Meetings of the Company are as under :

Year	Venue of the Meeting	Day and Date	Time
2007-08	4th Floor, Walchand Hirachand Hall, Indian Merchants’ Chamber, IMC Marg, Churchgate, Mumbai – 400 020	Wednesday 02.07.2008	11.30 a.m.
2008-09	4th Floor, Walchand Hirachand Hall, Indian Merchants’ Chamber, IMC Marg, Churchgate, Mumbai – 400 020	Tuesday 01.09.2009	11.30 a.m.
2009-10	4th Floor, Walchand Hirachand Hall, Indian Merchants’ Chamber, IMC Marg, Churchgate, Mumbai – 400 020	Wednesday 04.08.2010	11.30 a.m.

Note :

- No special resolutions were passed at the Annual General Meetings held for the years 2007-08, 2008-09 and 2009-10.
- No special resolution was passed through postal ballot during 2010-11. None of the Businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through Postal Ballot.

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

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

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

The Company’s related party transactions are generally with its Associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialisation and the Company’s long term strategy for sectoral investments, optimisation of market share and profitability, legal requirements, liquidity and capital resources of Associates.

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

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

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

11. Means of Communication

- Quarterly Results :** Quarterly Results are published in ‘Financial Express’ and ‘Navshakti’ and are displayed on the Company’s website www.riil.in.
- Annual Report :** Annual Report containing, *inter alia*, Audited Annual Accounts, Directors’ Report, Auditors’ Report, and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Directors’ Report in the Annual Report. The Annual Report is displayed on the Company’s website www.riil.in.
- Reminder to Investors :** Reminders for Unpaid Dividend are sent to the Shareholders as per records every year.
- Website :** The Company’s website www.riil.in contains a separate dedicated section, ‘Investor Relations’, where information for shareholders is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable manner.
- Designated Exclusive email-id :** The Company has designated the following email-ids exclusively for investor servicing :
 - For queries on Annual Report : investor_relations@riil.in
 - For queries in respect of shares in physical mode : riilnkm@karvy.com

12. General Shareholder Information

- (a) **Company Registration Details** The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L60300MH1988PLC049019.
- (b) **Annual General Meeting (Day, Date, Time and Venue)** Thursday, 30th June, 2011 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020.
- (c) **Financial Calendar (Tentative)**
- | | |
|---|----------------------------|
| Financial Year | April 1 to March 31 |
| Results for Quarter ending 30th June, 2011 | Last week of July, 2011 |
| Results for Quarter / Half Year ending 30th September, 2011 | Last week of October, 2011 |
| Results for Quarter ending 31st December, 2011 | Last week of January, 2012 |
| Results for Year ending 31st March, 2012 | Last week of April, 2012 |
| Annual General Meeting | July, 2012 |
- (d) **Book Closure Period** Wednesday, 25th May, 2011 to Tuesday, 31st May, 2011 (both days inclusive) for payment of dividend.
- (e) **Dividend Payment Date** On 1st July, 2011
- (f) **Listing of Equity Shares at**
- (i) Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
Scrip Code : 523445
- (ii) National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Trading Symbol : RIIL
ISIN : INE046A01015
- (g) **Payment of Listing Fees** Annual Listing Fee for the year 2011-12 (as applicable) has been paid by the Company to BSE and NSE.
- (h) **Share Price Data (in Rs. per share)**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April – 2010	1075.00	777.60	933.35	810.90
May – 2010	846.20	695.10	848.70	685.15
June – 2010	1079.00	729.00	1078.90	728.65
July – 2010	1003.70	775.00	1004.20	860.05
August – 2010	946.90	836.10	948.90	835.15
September – 2010	919.50	845.00	919.70	844.00
October – 2010	967.00	841.70	970.00	855.25
November – 2010	906.90	692.10	907.60	691.00
December – 2010	755.00	661.00	754.90	660.10
January – 2011	743.90	558.60	742.70	559.20
February – 2011	740.00	453.10	741.40	451.60
March – 2011	672.00	610.00	671.70	594.20

Source : BSE and NSE websites

(i) **Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty as on 31st March, 2011****Percentage change in**

	RIL	Sensex
Financial Year 2010-11	-22.19	10.94
2 years	117.56	100.29
3 years	-31.24	24.29
5 years	60.84	72.39

Percentage change in

	RIL	Nifty
Financial Year 2010-11	-22.13	11.14
2 years	117.39	93.11
3 years	-30.96	23.22
5 years	61.11	71.45

(j) **Share Transfer Agent
Karvy Computershare Private Limited**

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

(l) **Distribution of Shareholding as on 31st March, 2011**

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
(A)	Shareholding of Promoter and Promoter Group¹			
(1)	Indian	1	68 60 064	45.43
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	1	68 60 064	45.43
(B)	Public Shareholding²			
(1)	Institutions	36	1 32 704	0.88
(2)	Non-institutions	119345	81 07 232	53.69
	Total Public Shareholding	119381	82 39 936	54.57
	Total (A) + (B)	1 19382	1 51 00 000	100.00

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

² For definition of "Public Shareholding", refer to Clause 40A of Listing Agreement.

(m) **Top 10 Shareholders as on 31st March, 2011**

Sr. No.	Name of the Shareholder(s)	No. of Shares	% to total Shares
1	Reliance Industries Limited	68 60 064	45.43
2	Reliance Capital Limited	1 60 100	1.06
3	Angel Broking Limited	82 298	0.55
4	Religare Securities Limited	55 355	0.37
5	Sharekhan Limited	54 533	0.36
6	Neeraj Batra	49 862	0.33
7	Gulabchand Chandulal Bafna	49 650	0.33
8	Jayantilal Premji Shah	36 000	0.24
9	Karvy Stock Broking Limited	34 228	0.23
10	SMC Global Securities Limited	33 000	0.22

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

(k) **Share Transfer System**

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. Pursuant to the Board's delegation in this regard Shri Dilip V. Dherai, Executive Director and Shri Swatantra Kumar Sethi, Company Secretary, are severally authorized to approve the transfer, transmission etc. of the Company's shares. A summary of transfer / transmission of shares of the Company so approved is placed at every Shareholders' / Investors' Grievance Committee Meeting. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

(n) Shareholding Pattern by Size as on 31st March, 2011

Sr. No.	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total Shares	Holders	Shares	% to total Shares	Holders	Shares	% to total Shares
1	01 - 100	1 04 718	26 48 515	17.54	4 579	4 56 851	3.03	1 09 297	31 05 366	20.57
2	101 - 500	8 077	18 50 416	12.25	428	1 16 700	0.77	8 505	19 67 116	13.03
3	501 - 1000	875	6 66 325	4.41	26	20 100	0.13	901	6 86 425	4.55
4	1001 - 5000	569	11 70 522	7.75	14	22 000	0.15	583	11 92 522	7.90
5	5001 - 10000	60	4 12 235	2.73	2	15 800	0.10	62	4 28 035	2.83
6	10001 - 50000	29	5 08 186	3.37	0	0	0	29	5 08 186	3.37
7	50001 - 100000	3	1 92 186	1.27	0	0	0	3	1 92 186	1.27
8	100001 & Above	2	70 20 164	46.49	0	0	0	2	70 20 164	46.49
	Total	1 14 333	1 44 68 549	95.82	5 049	6 31 451	4.18	1 19 382	1 51 00 000	100.00

(o) Geographical Distribution of Shareholders as on 31st March, 2011

Sr. No.	Name of the City	Electronic				Physical				Total			
		Holders	% to total Holders	Shares	% to total Shares	Holders	% to total Holders	Shares	% to total Shares	Holders	% to total Holders	Shares	% to total Shares
1	MUMBAI	23641	19.80	9534005	63.14	1411	1.18	200837	1.33	25052	20.98	9734842	64.47
2	DELHI	7305	6.12	829228	5.49	283	0.24	44500	0.29	7588	6.36	873728	5.79
3	AHMEDABAD	6388	5.35	397469	2.63	380	0.32	40600	0.27	6768	5.67	438069	2.90
4	KOLKATA	5316	4.45	428246	2.84	160	0.13	19900	0.13	5476	4.59	448146	2.97
5	PUNE	3341	2.80	214861	1.42	60	0.05	8000	0.05	3401	2.85	222861	1.48
6	BENGALURU	3109	2.60	163695	1.08	125	0.10	12804	0.08	3234	2.71	176499	1.17
7	VADODARA	2801	2.35	131959	0.87	153	0.13	16900	0.11	2954	2.47	148859	0.99
8	CHENNAI	2457	2.06	139820	0.93	155	0.13	16300	0.11	2612	2.19	156120	1.03
9	HYDERABAD	1866	1.56	166513	1.10	93	0.08	10100	0.07	1959	1.64	176613	1.17
10	OTHERS	58109	48.67	2462753	16.31	2229	1.87	261510	1.73	60338	50.54	2724263	18.04
	Total	114333	95.77	14468549	95.82	5049	4.23	631451	4.18	119382	100.00	15100000	100.00

(p) Corporate Benefits

Dividend declared for the last 10 years

Financial Year	Dividend Declaration Date	Dividend per share* (Rs.)
2009-10	4th August, 2010	3.50
2008-09	1st September, 2009	3.50
2007-08	2nd July, 2008	3.50
2006-07	10th March, 2007	3.50
2005-06	12th July, 2006	3.50
2004-05	16th September, 2005	3.20
2003-04	25th September, 2004	3.20
2002-03	6th September, 2003	3.20
2001-02	25th June, 2002	3.20
2000-01	28th June, 2001	3.20

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

(q) Dematerialisation of Shares

Electronic/Physical	% of Share Capital
NSDL	80.86
CDSL	14.96
Physical	04.18

95.82% of the Company's Paid up Equity Share Capital has been dematerialised upto 31st March, 2011 (95.65% upto 31st March, 2010). Trading in Equity Shares of the Company is permitted only in dematerialised form.

(r) Liquidity

The higher trading activity is witnessed on NSE. Relevant data for the average daily turnover for the financial year 2010-11 is given below :

	BSE	NSE	TOTAL
Shares (nos.)	1 86 622	3 84 482	5 71 104
Value (in Rs. crore)	15.70	32.47	48.17

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



(s) **Outstanding GDRs / Warrants and Convertible Instruments**

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

(t) **Locations of Manufacturing Plants**

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

(u) **Address for Correspondence**

(i) **Investor Correspondence**

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

For Shares held in Physical form

Karvy Computershare Private Limited
Unit : Reliance Industrial Infrastructure Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081, India
e-mail : riilnkm@karvy.com

For Shares held in Demat form

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

(ii) **Any query on Annual Report**

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

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

During the year under review, the Company credited a sum of Rs.5.51 lacs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

The cumulative amount transferred to IEPF upto 31st March, 2011 was Rs.52.08 lacs.

(w) **Equity Shares in the Suspense Account**

As per Clause 5A(II) of the Listing Agreement, the Company has sent three reminders, for shares issued in physical form, pursuant to the public issue, which remained unclaimed. Wherever the shareholders claimed the shares, after proper verification, the share certificates were dispatched to them. The remaining unclaimed shares will be dematerialized and transferred into one folio in the

name of "Unclaimed Suspense Account" in due course.

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

13. Compliance Certificate of the Auditors

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

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

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

The Company has complied with all the mandatory requirements of Clause 49. The Company has adopted the following Non-mandatory requirements stipulated under Clause 49 :

(a) **Remuneration Committee :**

The Company has constituted the Remuneration Committee to recommend / review remuneration of the Managing Director(s) and Whole-time Director(s).

(b) **Communication to Shareholders :**

Half yearly Reports covering financial results are sent to members at their registered address.

(c) **Audit Qualification :**

The Company is in the regime of unqualified financial statements.

(d) **Training of Board Members :**

The Board members are provided with the necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations / briefings are made at the Board and Committee Meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.

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

(e) **Whistle Blower policy :**

The Company has a whistle blower mechanism wherein the Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports received will be reviewed by the Audit Committee of Directors from time to time. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

15. CEO and CFO Certification

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

Secretarial Audit Report

The Board of Directors
Reliance Industrial Infrastructure Limited
NKM International House, 5th Floor,
178 Backbay Reclamation,
Behind LIC Yogakshema Building,
Babubhai Chinai Road,
Mumbai - 400 020

I have examined the registers, records and documents of Reliance Industrial Infrastructure Limited ("the Company") for the financial year ended on March 31, 2011 maintained under the provisions of-

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

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

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- (d) service of documents by the Company on its Members and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 22nd annual general meeting held on 4 August 2010;
- (h) minutes of proceedings of General meetings and of Board and its Committee meetings;
- (i) approvals of the members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors;
- (k) payment of remuneration to the Directors including Whole-time Director;
- (l) appointment and remuneration of Auditors;
- (m) transfers and transmissions of the Company's shares and issue and delivery of renewed and duplicate certificates of shares;
- (n) declaration and payment of dividends;

- (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
- (p) contracts, common seal, registered office and publication of name of the Company; and
- (q) generally, all other applicable provisions of the Act and the Rules made under that Act.

2. I further report that:

- (a) there were no borrowings or registration, modification or satisfaction of charges or investments of the Company's funds in inter corporate loans; however the Company has made investments in mutual funds in accordance with provisions of section 292 of the Act;
- (b) the Directors of the Company have obtained Director Identification Number as per Section 266A of the Act;
- (c) the Company's Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- (d) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- (e) the Company has obtained all necessary approvals under the various provisions of the Act;
- (f) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Equity Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that:

- (a) the Company has complied with the requirements under the Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited;
- (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

Dr K R Chandratre
Practising Company Secretary
Certificate of Practice No. 5144

Place: Mumbai,
Dated: 9th April, 2011



Shareholders' Referencer

1. AT A GLANCE

- The Company has around 1.19 lacs folios of shareholders holding Equity Shares in the Company as at 31st March, 2011.
- The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
- The Company's Equity Shares are under compulsory trading in demat form only.
- 95.82% of the Company's Equity Shares are held in demat form.
- Karvy Computershare Private Limited (Karvy), Hyderabad, an ISO 9002 Certified Registrars and Transfer Agents, is the Share Transfer Agent (STA) of the Company.

2. INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM

All investor service matters are being handled by Karvy. Karvy, the largest Registrar and Share Transfer Agent in the country having a vast number of Investor Service Centres across the country, discharges investor service functions effectively, efficiently and expeditiously.

The Company has an established mechanism for investor service and grievance handling, with Karvy and the Compliance Officer appointed by the Company for this purpose, being the important functional nodes. The Company has appointed Internal Auditors to concurrently audit the shares related transactions of the Company being handled at Karvy and communications exchanged with investors, regulatory and other concerned authorities.

The Company has prescribed service standards for various investor related activities being handled by Karvy, which are covered in the section on 'Initiatives Taken by the Company'. These standards are periodically reviewed by the Company. Any deviation there from is examined by the Internal Auditors.

3. COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

The following are the Company's recommendations to shareholders / investors:

Open Demat Account and Dematerialise your shares

Investors should convert their physical holdings of shares into demat holdings. Holding shares in demat form helps investors to get immediate transfer of the shares. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided. More benefits and procedure involved in dematerialisation are covered later in this Referencer.

Consolidate Multiple Folios

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

Register NECS Mandate and furnish correct bank account particulars with the Company / Depository Participant (DP)

Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investor must update the new bank account number allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

Submit Nomination Form

Investors should register the nominations in case of physical shares with the Company and in case of dematerialised shares with their DP. Nomination would help the nominees to get the shares transmitted in their favor without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the Company's website www.riil.in under the section "Investor Relations".

Deal with Registered Intermediaries

Investors should transact through a registered intermediary who is subject to regulatory discipline of SEBI, as it will be responsible for its activities, and in case intermediary does not act professionally, investors may take up the matter with SEBI / Stock Exchanges.

Obtain documents relating to purchase and sale of shares

A valid Contract Note / Confirmation Memo should be obtained from the broker / sub-broker, within 24 hours of execution of purchase or sale of shares and it should be ensured that the Contract Note / Confirmation Memo contains order number, trade number, trade time, quantity, price and brokerage. In case the investor has any doubt about the details contained in the contract note, he can avail the facility provided by BSE / NSE to verify the trades on the BSE / NSE websites. It is recommended that this facility be availed in respect of a few trades on a random basis, even if there is no doubt as to the authenticity of the trade / transaction.

Monitor holdings regularly

Demat account should not be kept dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings verified. Where the investor is likely to be away for a long period of time and where the shares are held in electronic form, the investor can make a request to the DP to keep the account frozen so that there can be no debit to the account till the instruction for freezing the account is countermanded by the investor.

Transfer securities before Book Closure / Record Date

The corporate benefits on the securities lying in the clearing account of the brokers cannot be made available to the members directly by the Company. In case an investor has bought any securities he must ensure that the securities are transferred to his demat account before the book closure / record date.

Register for SMS alert facility

Investors should register their mobile numbers with DPs for SMS alert facility. National Securities Depository Limited and Central Depository Services (India) Limited proactively inform investors of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

Exercise caution

There is likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company. The Company / DP should be updated on any change of address or contact details. Similarly, information of death of shareholder should also be communicated.

Mode of Postage

Share Certificates and high value dividend warrants / cheques / demand drafts should not be sent by ordinary post. It is recommended that investors should send such instruments by registered post or courier.

Intimate mobile number and e-mail address

Intimate your mobile number and e-mail address and changes therein, if any, to Karvy if shares are held in physical mode or to your DP if shares are held in electronic mode, to receive communications and other information of the Company.

4. CONCEPTS AND PROCEDURES FOR SECURITIES RELATED MATTERS

Dealing in Securities

The Company's Equity Shares are under compulsory trading in demat form only.

What are the types of accounts for dealing in securities in demat form?

Beneficial Owner Account (B.O. Account) / Demat Account: An account opened with a DP in the name of investor for the purpose of holding and transferring securities.

Trading Account: An account opened by the broker in the name of the investor for maintenance of transactions executed while buying and selling of securities.

Bank Account: A bank account in the name of the investor which is used for debiting or crediting money for trading in the securities market.

What is the Process of trading of Securities ?

The normal course of trading in the Indian market context is briefed below:

- Step 1.** Investor / trader decides to trade.
- Step 2.** Places order with a broker to buy / sell the required quantity of respective securities.
- Step 3.** Best priced order matches based on price-time priority.
- Step 4.** Order execution is electronically communicated to the broker's terminal.
- Step 5.** Trade confirmation slip issued to the investor / trader by the broker.
- Step 6.** Within 24 hours of trade execution, contract note is issued to the investor / trader by the broker.

Step 7. Pay-in of funds and securities before T+2 day.

Step 8. Pay-out of funds and securities on T+2 day.

In case of short or bad delivery of funds / securities, the exchange orders for an auction to settle the delivery. If the shares could not be bought in the auction, the transaction is closed out as per SEBI guidelines.

What is Delivery Instruction Slip (DIS) and what precautions one need to observe with respect to DIS?

To give the delivery, one has to fill in a form called Delivery Instruction Slip (DIS). DIS may be compared to cheque book of a bank account. The following precautions are to be taken in respect of DIS:

- Ensure and insist with DP to issue DIS book.
- Ensure that DIS numbers are pre-printed and DP takes acknowledgement for the DIS booklet issued to investor.
- Ensure that your account number (client id) is pre-stamped.
- If the account is a joint account, all the joint holders have to sign the instruction slips. Instruction cannot be executed if all joint holders have not signed.
- Avoid using loose slips.
- Do not leave signed blank DIS with anyone viz., broker / sub-broker, DPs or any other person / entity.
- Keep the DIS book under lock and key when not in use.
- If only one entry is made in the DIS book, strike out remaining space to prevent misuse by any one.
- Personally fill in target account-id and all details in the DIS.
- If the DIS booklet is lost / stolen / not traceable, the same must be intimated to the DP, immediately, in writing. On receipt of such intimation, the DP will cancel the unused DIS of the said booklet.

What is online trading in securities?

Online trading in securities refers to the facility available to an investor for placing his own orders using the internet trading platform offered by the trading member viz., the broker. The orders so placed by the investor using internet would be routed through the trading member.

What precautions an online investor must take?

Investor trading online must take following precautions:

- Default password provided by the broker is changed before placing of order.
- The password is not shared with others and password is changed at periodic interval.
- Proper understanding of the manner in which the online trading software has to be operated.
- Adequate training on usage of software.
- The online trading system has facility for order and trade confirmation after placing the orders.

What are the other safety measures online client must observe?

- Avoid placing order from shared PC's / through cyber cafes.



- Log out after having finished trading to avoid misuse.
- Ensure that one does not click on “remember me” option while signing on from non regular location.
- Do not leave the terminal unattended while one is “signed-on” to the trading system.
- Protect your personal computer against viruses by placing firewall and an anti-virus solution.
- Do not open email attachments from people you do not know.

5. DIVIDEND

Payment of Dividend

Dividend is paid under three modes viz.:

- National Electronic Clearing Service (NECS)
- National Electronic Fund Transfer (NEFT)
- Physical dispatch of Dividend Warrant

Payment of dividend through National Electronic Clearing Service (NECS) facility

What is payment of dividend through NECS Facility and how does it operate?

NECS facility is a centralized version of ECS facility. The NECS system takes advantage of the centralised accounting system in banks. Accordingly, the account of a bank that is submitting or receiving payment instructions is debited or credited centrally at Mumbai. The branches participating in NECS can, however, be located anywhere across the length and breadth of the country.

What is payment of dividend through NEFT Facility and how does it operate?

NEFT denotes payment of dividend electronically through RBI clearing to selected bank branches which have implemented Core Banking Solutions (CBS). This extends to all over the country, and is not necessarily restricted to the 90 designated centres where payment can be handled through ECS. To facilitate payment through NEFT, the shareholder is required to ensure that the bank branch where his / her account is operated, is under CBS and also records the particulars of the new bank account with the DP with whom the demat account is maintained.

What is payment of dividend through Direct Credit and how does it operate?

The company will be appointing one bank as its Dividend Banker for distribution of dividend. The said banker will carry out direct credit to those investors who are maintaining accounts with the said bank, provided the bank account details are registered with the DP for dematerialized shares and / or registered with the Company's STA prior to the payment of dividend for shares held in physical form.

What are the benefits of NECS (payment through electronic facilities)?

Some of the major benefits are :

- Investor need not make frequent visits to his bank for depositing the physical paper instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.

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

Which cities provide NECS facility?

NECS has no restriction of centres or of any geographical area inside the country. Presently, around 51,000 branches of 114 banks participate in NECS.

How to avail of NECS Facility?

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's STA. The Form may be downloaded from the Company's website www.riil.in under the section “Investor Relations”.

However, if shares are held in dematerialised form, NECS mandate has to be sent to the concerned DP directly, in the format prescribed by the DP.

Investors must note that NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

In this regard shareholders are requested to furnish the new bank account number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining to the concerned account, to the STA of the Company in case the shareholders hold shares in physical form and to the concerned DP in case the shareholders hold shares in demat form.

In case the shareholders do not provide their new account number allotted after implementation of CBS, please note that NECS to the shareholders' old account may either be rejected or returned.

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

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the bank account details furnished by the concerned Depository. Therefore, investors are requested to keep their bank particulars updated with the DP.

Can NECS Facility be opted out by investors?

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

Course of Action in case of Non-receipt of Dividend, Revalidation of Dividend Warrant etc.

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

Shareholders may write to the Company's STA, furnishing the particulars of the dividend not received, and quoting the folio number (in case of shares held in physical mode) / DP ID and Client ID particulars (in case of shares held in demat mode). On expiry of the validity period, if the dividend warrant is still shown as unpaid in the records of the Company, duplicate warrant will be issued. The STA would request the concerned shareholder to execute an indemnity before issuing the duplicate warrant.

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

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

Why do the shareholders have to wait till the expiry of the validity period of the original warrant for issue of duplicate warrant?

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

Unclaimed Shares

What are the Regulatory provisions and procedure governing unclaimed shares lying in physical form with the Company or its STA?

As per amended Clause 5A of the Listing Agreement with the Stock Exchanges:

- In terms of sub-clause (I), for shares issued pursuant to a public issue or any other issue, which remain unclaimed and are lying in the escrow account, the company, after complying with the procedure prescribed therein, shall credit the unclaimed shares to a demat suspense account with one of the depository participants, opened by the company for this purpose.
- In terms of sub-clause (II), for shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed, the company, after complying with the procedure prescribed therein, shall dematerialize and transfer the unclaimed shares into one folio in the name of "Unclaimed Suspense Account" with one of the depository participants, opened by the company for this purpose.

What is the status of compliance by the Company with regard to these provisions?

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

As per Clause 5A(II) of the Listing Agreement, the Company has sent three reminders, for shares issued in physical form which remained unclaimed. Wherever the shareholders claimed the shares, after proper verification, the share certificates were dispatched to them. The remaining unclaimed shares will be dematerialized and transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

Unclaimed / Unpaid Dividend:

What are the statutory provisions governing unclaimed dividend?

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

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

In view of the statutory provisions, as aforesaid, the status of unclaimed and unpaid dividend of the Company is captured in **Chart 1** below :

Chart 1: Status of unclaimed and unpaid dividend for different years

	Dividend upto 1993-94	Dividend for 1994-95 to 2002-03	Dividend for 2003-04 and thereafter
Transfer of unpaid dividend	Transferred to General Revenue Account of the Central Government	Transferred to Central Government's Investor Education and Protection Fund (IEPF)	Will be transferred to IEPF on due date(s)
Claims for unpaid dividend	Can be claimed from ROC, Maharashtra *	Cannot be claimed	Can be claimed from the Company's STA within the time limits provided in Chart 2 given below

* Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) upto and including 1993-94 are requested to claim such dividend from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD-Belapur, Navi Mumbai – 400 614, Telephone +91 22 2757 6802, in Form II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Chart 2 : Information in respect of unclaimed and unpaid dividends declared for 2003-04 and thereafter

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
31.03.2004	25.09.2004	24.09.2011
31.03.2005	16.09.2005	15.09.2012
31.03.2006	12.07.2006	11.07.2013
31.03.2007	10.03.2007	09.03.2014
31.03.2008	02.07.2008	01.07.2015
31.03.2009	01.09.2009	31.08.2016
31.03.2010	04.08.2010	03.08.2017

6. DEMATERILISATION / REMATERILISATION OF SHARES

What is dematerialisation of shares?

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

Why dematerialise shares? Trading in Compulsory Demat

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

Benefits of Demat

- Elimination of bad deliveries.
- Elimination of all risks associated with physical certificates.
- No stamp duty on transfers.
- Immediate transfer / trading of shares.



- Faster settlement cycle.
- Faster disbursement of non cash corporate benefits like rights, bonus, etc.
- SMS alert facility.
- Lower brokerage is charged by many brokers for trading in dematerialised shares.
- Periodic status reports and information available on internet.
- Ease related to change of address of investor.
- Elimination of problems related to transmission of demat shares.
- Ease in portfolio monitoring.
- Ease in pledging the shares.

How to dematerialise shares?

The procedure for dematerialising shares is as under :

- Open Beneficiary Account with a DP registered with SEBI.
- Submit Demat Request Form (DRF) as given by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the concerned certificate(s) and the Company records along with the share certificate(s).
- Demat confirmations are required to be completed in 21 days as against 30 days (excluding time for despatch) for physical transfer. Service standards prescribed by the Company for completing demat is 3 days from the date of the receipt of requisite documents for the purpose.
- Receive a confirmation statement of holdings from the DP. Statement of holdings is sent by the DPs from time to time.

Can I dematerialize shares held jointly, in the same combination of names, but the sequence of names is different?

Depositories provide “transposition cum Demat Facility” to help joint holders to dematerialize securities in different sequence of names. For this purpose, DRF and Transposition Form should be submitted to the DP.

What is SMS alert facility?

NSDL and CDSL have launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) to their demat accounts and for credits in respect of corporate actions for transfers, IPO and offer for sale. Under this facility, investors can receive alerts, a day after such debits (transfers) / credits take place. These alerts are sent to those account holders who have provided their mobile numbers to their DPs. Alerts for debits are sent, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, alerts are sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP.

What is rematerialisation of shares?

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

What is the procedure for rematerialisation of shares?

- Shareholders should submit duly filled in Rematerialisation Request Form (RRF) to the concerned DP.

- DP intimates the relevant Depository of such requests.
- DP submits RRF to the Company’s STA.
- Depository confirms rematerialisation request to the Company’s STA.
- The Company’s STA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialised.
- Share certificate(s) is despatched to the shareholder.

7. NOMINATION FACILITY

What is nomination facility and to whom it is more useful?

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

What is the procedure of appointing a nominee?

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form 2B to the Company’s STA. Form 2B may be downloaded from the Company’s website, www.riil.in under the section “Investor Relations”.

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

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

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

Can a nomination once made be revoked / varied?

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

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

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

Is nomination form required to be witnessed?

A nomination form must be witnessed by the two witnesses.

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

A nominee is entitled to all the rights of the deceased shareholder to the exclusion of all other persons. In the event of death of the shareholder, all the rights of the shareholder shall vest in the nominee. In case of joint holding, all the rights shall vest in the nominee only in the event of death

of all the joint holders. The nominee is required to apply to the Company by reporting death of the nominator along with the attested copy of the death certificate.

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

What are rights of nominee vis-à-vis legal heirs of the deceased shareholder?

As per provisions of Section 109A of the Companies Act, 1956 and as held by Hon'ble Delhi and Mumbai High Courts, the securities would vest on the nominee upon the death of the registered holder notwithstanding the rights of the legal heirs of the deceased.

8. TRANSFER / TRANSMISSION / TRANSPOSITION / DUPLICATE CERTIFICATES ETC.

What is the procedure for transfer of shares in favour of transferee(s)?

Transferee(s) need to send share certificate(s) along with share transfer deed in the prescribed Form 7B, duly filled in, executed and affixed with share transfer stamps, to the Company's STA. It takes about 7 days for the Company's STA to process the transfer, although the statutory time limit fixed for completing a transfer is one month under the Listing Agreement and two months under the Companies Act, 1956.

Is Permanent Account Number for transfer of shares in physical form mandatory?

SEBI vide its Circular dated 20th May, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company / STA for registration of such transfer of shares.

What should transferee (purchaser) do in case transfer form is returned with objections?

Transferee needs to immediately proceed to get the errors / discrepancies corrected. Transferee needs to contact the transferor (seller) either directly or through his broker for rectification or replacement with good shares. After rectification or replacement of the shares the same can be resubmitted for effecting transfer. In case the errors are non rectifiable, purchaser has recourse to the seller and his broker through the Stock Exchange to get back his money. However, in case of off market transactions matter should be settled with the seller only.

Can single holding of shares be converted into joint holdings or joint holdings into single holding? If yes, what is the procedure involved in doing the same?

Yes. Conversion of single holding into joint holdings or joint holdings into single holding or transfer within the family members leads to a change in the pattern of ownership and therefore, procedure for a normal transfer as mentioned above needs to be followed.

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

The procedure for registration of shares gifted (held in physical form) is same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @ 25 paise for every Rs. 100 or part thereof, of the face value or the market value of the shares prevailing

as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher. The procedure for registration of shares gifted (held in demat form) is the same as the procedure for transfer of shares in demat form in off market mode.

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

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

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

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

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

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

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

Share certificates along with a request letter duly signed by all the joint holders may be sent to the Company's STA for change in order of names, known as 'transposition'. Transposition can be done only for the entire holdings under a folio and therefore, requests for transposition of part holding cannot be accepted by the Company / STA. For shares held in demat form, investors are advised to approach their DP concerned for transposition of the shares.

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

Shareholders who have lost / misplaced share certificate(s) should inform the Company's STA, immediately about loss of share certificate(s), quoting their folio number and details of share certificate(s), if available.

The STA shall immediately mark a 'stop transfer' on the folio to prevent any further transfer of shares covered by the lost share certificate(s). It is recommended that the shareholders should lodge a FIR with the police regarding loss of share certificate(s).

They should send their request for duplicate share certificate(s) to the Company's STA and submit documents as required by the STA.

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

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

Procedure to get the certificates issued in various denominations consolidated into Single Certificate

Consolidation of share certificates helps in saving costs in the event of dematerialising shares and also provides convenience in holding the shares physically. Shareholders having certificates in various denominations under the same folio should send all the certificates to the Company's STA for consolidation of all the shares into a single certificate.

If the shares are not under the same folio but have the same order of names, the shareholder should write to the Company's STA for the prescribed form for consolidation of folios. This will help the investors to efficiently monitor the holding and receivable thereon.

9. MISCELLANEOUS**Change of address****What is the procedure to get change of address registered in the Company's records?**

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

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

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

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

Shareholders need to execute a Power of Attorney in favour of the concerned person and submit a notarised copy of the same to the Company's STA. After scrutiny of the documents, the STA shall register the Power of Attorney and inform the shareholders concerned about the registration number of the same. Whenever a transaction is done by the Power of Attorney holder, this registration number should be quoted in the communication.

10 INITIATIVES TAKEN BY THE COMPANY**Setting new benchmarks in Investor Service**

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

(a) Registrations

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

(b) Correspondence

Sr. No.	Particulars	Service Standards (No. of working days)
Queries / Complaints		
1.	Non-receipt of Annual Report	2
2.	Non-receipt of Dividend Warrant	4
3.	Non-receipt of Share Certificate	2
4.	Non-receipt of Stickers (Change of name of the Company)	3
Event Based		
1.	TDS certificate	2
2.	Others	2
Requests		
1.	Change of Address	2
2.	Revalidation of Dividend Warrants	3
3.	Bank Mandate / Details	2
4.	Nomination	2
5.	Power of Attorney	2
6.	Multiple Queries	4
7.	IEPF Letters	3

Intimation Letters to Investors

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

Consolidation of Folios

The Company has initiated a unique investor servicing measure for consolidation of small holdings within the same

household. In terms of this, those shareholders holding less than 10 shares (under a single folio) in the Company, within the same household, can send such shares for transfer along with transfer forms duly filled in and signed, without payment of stamp duty; the stamp duty involved in such cases will be borne by the Company.

11. INFORMATION REGARDING TAX ON DIVIDEND AND SALE OF SHARES

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

- No tax is payable by shareholders on dividend. However, the Company is required to pay dividend tax @ 15% and surcharge @ 7.5%, together with education cess @ 2% and higher education cess @ 1%.
- Short Term Capital Gains tax is payable in case the shares are sold within 12 months from the date of purchase @ 15% in case of 'individuals' together with education cess @ 2% and higher education cess @ 1%.
- No Long Term Capital Gains tax is payable on sale of shares through a recognized stock exchange, provided Securities Transaction Tax (STT) has been paid and shares are sold after 12 months from the date of purchase. In any other case, lower of the following is payable as long term capital gain tax:
 - (i) 20% of the capital gain computed after substituting 'cost of acquisition' with 'indexed cost of acquisition';
 - (ii) 10% of the capital gain computed before substituting 'cost of acquisition' with 'indexed cost of acquisition'.
- STT is payable as under –
 - (i) @ 0.125% by both the purchaser and the seller in respect of delivery based transactions.
 - (ii) @ 0.017% by the seller in respect of derivatives.
 - (iii) @ 0.025% by the seller in respect of transactions in securities not being settled by actual delivery.

12. INVESTOR SERVICING AND GRIEVANCE REDRESSAL - EXTERNAL AGENCIES

Ministry of Corporate Affairs

Ministry of Corporate Affairs (MCA) has launched a major e-Governance initiative christened as "MCA 21" on the MCA portal (www.mca.gov.in): One of the key benefits of this initiative includes timely redressal of investor grievances. MCA 21 system accepts complaints under the eForm prescribed, which has to be filed online.

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

Securities and Exchange Board of India (SEBI)

SEBI, in its endeavour to protect the interest of investors, has provided a platform wherein the investors can lodge their grievances. This facility is available on the SEBI website (www.sebi.gov.in) under the Investor Guidance Section.

Stock Exchanges

National Stock Exchange of India Limited (NSE) – NSE has formed an Investor Grievance Cell (IGC) to redress investors' grievances electronically. The Investors have to log on to the website of NSE i.e. www.nseindia.com and click on the link: "Investors Service".

Bombay Stock Exchange Limited (BSE) – BSE provides an opportunity to its members to file their complaints electronically through its website www.bseindia.com under the "Investor Grievances".

Depositories

National Securities Depository Limited (NSDL) – In order to help its clients resolve their doubts, queries, complaints, NSDL has provided an opportunity wherein they can raise their queries by logging on to www.nsdl.co.in under the "Investors" section or an email can be marked mentioning the query to relations@nsdl.co.in.

Central Depository Services (India) Limited (CDSL) – Investors who wish to seek general information on depository services may mail their queries to investors@cdslindia.com. With respect to the complaints / grievances of the demat account holders relating to the services of the DP, mails may be addressed to complaints@cdslindia.com.

Other Information

Permanent Account Number (PAN)

It has become mandatory to quote PAN before entering into any transaction in the securities market. The Income Tax Department of India has highlighted the importance of PAN on its website: www.incometaxindia.gov.in wherein lot of queries with respect to PAN have been replied to in the FAQ section.

Insider Trading

In order to prohibit insider trading and protect the rights of innocent investors, SEBI has enacted the SEBI (Prohibition of Insider Trading) Regulations, 1992. As per Regulation 13 of the said Regulations, initial and continual disclosures are required to be made by investors as under:

Initial Disclosure:

As per sub-regulation 1, any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of : (a) the receipt of intimation of allotment of shares; or (b) the acquisition of shares or voting rights, as the case may be.

Continual Disclosure:

As per sub-regulation 3, any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.



13. SHAREHOLDERS' GENERAL RIGHTS

- To receive not less than 21 days notice of general meetings unless consented for a shorter notice.
- To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 1956 and the concerned Rules issued thereunder.
- To receive copies of Balance Sheet and Profit and Loss Account along with all annexures / attachments (Generally known as Annual Report) not less than 21 days before the date of the annual general meeting unless consented for a shorter period.
- To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive dividends and other corporate benefits like bonus, rights etc. once approved.
- To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 1956.
- To inspect statutory registers and documents as permitted under law.
- To require the Board of Directors to call an extraordinary general meeting in accordance with the provisions of the Companies Act, 1956.

14. DUTIES / RESPONSIBILITIES OF INVESTORS

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

15. DEALING IN SECURITIES MARKET

DO'S

- Transact only through Stock Exchanges.
- Deal only through SEBI registered intermediaries.
- Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc).
- Ask for and sign "Know Your Client Agreement".
- Read and properly understand the risks associated with investing in securities / derivatives before undertaking transactions.
- Assess the risk – return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- Ask all relevant questions and clear your doubts with your broker before transacting.

- Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- Beware of the false promises and to note that there are no guaranteed return on investments in the Stock Market.
- Give clear and unambiguous instructions to your broker / sub-broker / DP.
- Be vigilant in your transactions.
- Insist on a contract note for your transaction.
- Verify all details in contract note, immediately on receipt.
- Always settle dues through the normal banking channels with the market intermediaries.
- Crosscheck details of your trade with details as available on the exchange website.
- Scrutinize minutely both the transaction and the holding statements that you receive from your DP.
- Keep copies of all your investment documentation.
- Handle DIS Book issued by DP carefully.
- Insist that the DIS numbers are pre-printed and your account number (client id) be pre stamped.
- In case you are not transacting frequently make use of the freezing facilities provided for your demat account.
- Pay the margins required to be paid in the time prescribed.
- Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed.
- Participate and vote in general meetings either personally or through proxy.
- Be aware of your rights and responsibilities.
- In case of complaints approach the right authorities for redressal in a timely manner.

DON'TS

- Don't undertake off-market transactions in securities.
- Don't deal with unregistered intermediaries.
- Don't fall prey to promises of unrealistic returns.
- Don't invest on the basis of hearsay and rumors; verify before investment.
- Don't forget to take note of risks involved in the investment.
- Don't be misled by rumours circulating in the market.
- Don't blindly follow media reports on corporate developments, as some of these could be misleading.
- Don't follow the herd or play on momentum - it could turn against you.
- Don't be misled by so called hot tips.
- Don't try to time the market.
- Don't hesitate to approach the proper authorities for redressal of your doubts / grievances.
- Don't leave signed blank DIS of your demat account lying around carelessly or with anyone.
- Do not sign blank DIS and keep them with DP or broker to save time. Remember your carelessness can be your peril.
- Do not keep any signed blank transfer deeds.

NOTE:

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

Directors' Report

Dear Members,

Your Directors are pleased to present the 23rd Annual Report and the audited accounts for the financial year ended 31st March, 2011.

Financial Results

	(Rs. in Crore)			
	2010-2011		2009-2010	
Profit before Depreciation, Interest and Tax	31.02		31.06	
Less : Interest	-		1.50	
Depreciation	6.25		5.31	
Less : Transfer from Revaluation Reserve	0.54	5.71	0.68	4.63
Profit before Tax	25.31		24.93	
Less : Provision for Taxation				
– Current Tax	5.74		4.22	
– Deferred Tax	(2.81)	2.93	(1.27)	2.95
Profit after Tax	22.38		21.98	
Add : Balance in Profit and Loss Account	19.20		23.38	
Amount Available for Appropriation	41.58		45.36	
Appropriations :				
General Reserve	20.00		20.00	
Dividend on Equity Shares	5.28		5.28	
Tax on Dividend	0.86		0.88	
Balance carried to Balance Sheet	15.44		19.20	
	<u>41.58</u>		<u>45.36</u>	

Dividend

Your Directors have recommended a dividend of Rs. 3.50 per Equity Share (last year Rs. 3.50 per Equity Share) for the financial year ended 31st March, 2011, amounting to Rs. 6.14 crore (inclusive of tax of Rs. 0.86 crore). The dividend will be paid to members whose names appear in the Company's Register of Members as on 25th May, 2011; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Management Discussion and Analysis

Financial and Operational Review :

The Company has earned a gross income of Rs. 70.60 crore for the financial year 2010-11, as compared to Rs. 58.70 crore in the previous year, an increase of 20.3%.

The Company has earned a profit before depreciation, interest and tax of Rs. 31.02 crore for the year as against Rs. 31.06 crore in the previous year. The Company's net profit for the year was marginally higher at Rs. 22.38 crore as compared to Rs. 21.98 crore in the previous year.

There was no Interest expenditure during the year as compared to Rs. 1.50 crore in the previous year.

Depreciation during the year was at Rs. 5.71 crore as compared to Rs. 4.63 crore in the previous year.

Return on Equity was at 12.0% as compared to 12.8% in the previous year and Return on Capital Employed was at 14.7% same as in the previous year.

Earnings per share was Rs. 14.82 as compared to Rs. 14.55 in the previous year.

Resources and Liquidity :

The Company's net worth as on 31st March, 2011 stood at Rs. 197.51 crore, with paid-up capital of Rs.15.10 crore and accumulated reserves and surplus of Rs. 182.41 crore as compared to the net worth as on 31st March, 2010 of Rs. 181.81 crore, with paid-up capital of Rs. 15.10 crore and accumulated reserves and surplus of Rs. 166.71 crore.

Industry Structure and Developments :

Infrastructure development is the main yardstick for measuring development of any economy. World-class Infrastructure is the key to a globally competitive economy and India's goal of sustained double-digit growth can only be achieved through a quantum growth in the Infrastructure sectors which provides an opportunity for improved productivity across all sectors.

Opportunities :

India, the second most populated country has emerged as one of the fastest growing economies. With political consensus in reforms having been established and with a stable democratic environment, clear policies and regulatory frameworks are being put in place. Thus, the country scores high on several key factors such as demand potential, revenue potential, a stable political environment and optimal risk allocation. There are opportunities available in most of the Infrastructure sectors to be explored.

Outlook :

India has fast emerged as a land of opportunities in Infrastructure sector. In this environment of ever increasing need for infrastructure coupled with various State and Central Government initiatives your Company is confident of maintaining its growth rate.

Challenges, Risks and Concerns :

The pace of development of infrastructure has a direct bearing on the productivity of enterprises. In India, the Infrastructure sector is growing but taking into account strong population growth, the growth of infrastructure appears to be undersized. This calls for significant scaling up of investment from both public as well as private sectors. While the public investment in infrastructure would continue to increase, the role of private participation needs to expand significantly to address the deficit in the Infrastructure sector.

As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

Internal Controls :

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

- Providing assurance regarding the effectiveness and efficiency of operations;
- Efficient use and safeguarding of resources;
- Compliance with policies, procedures and applicable laws and regulations; and
- Transactions being accurately recorded and promptly reported.

The Company also has budgetary control system to monitor expenditures against approved budgets on an ongoing basis.

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

**Human Resource Development :**

The Company has a team of able and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees. It employs 121 persons and provides personal development opportunities and all round exposure to them.

Directors

In terms of Article 143 of the Articles of Association, Shri S. C. Malhotra, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Group

Pursuant to intimation from the Promoter i.e. Reliance Industries Limited, the names of the Promoters and entities comprising the 'group' are disclosed in the Annual Report of the Company for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' Responsibility Statement

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

- i. in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a "going concern" basis.

Auditors and Auditors' Report

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

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

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Dr. K. R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2011, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act,

1956, the Depositories Act, 1996, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Securities Contracts (Regulation) Act, 1956 and the Listing Agreement with the Stock Exchanges.

Particulars of Employees

The Company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence, no information is required to be appended to this report in this regard.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 (the "Rules") are as under :

- i. Part A and B of the Rules, pertaining to Conservation of Energy and Technology Absorption, are not applicable to the Company.
- ii. Foreign Exchange Earnings and Outgo :

Earnings	-	Nil
Outgo	-	Rs 27.85 lacs

Transfer of Unclaimed and Unpaid amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India. The Company has also implemented several best corporate governance practices as prevalent globally.

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

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

Acknowledgement

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the Government, Banks, other Business constituents and Members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Employees of the Company.

For and on behalf of the Board of Directors

Mahesh K. Kamdar
Chairman

Mumbai,
21st April, 2011

Auditors' Certificate on Corporate Governance

To the Members,

Reliance Industrial Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Industrial Infrastructure Limited, for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **Chaturvedi & Shah**
Chartered Accountants
(Registration No.101720W)

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai
Dated : 14th April, 2011

Persons constituting group coming within the definition of “group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following :

Sr. No.	Name of the Entity	Sr. No.	Name of the Entity
1	Reliance Industries Limited (Promoter)	22	Gapco Kenya Limited
2	Reliance Industrial Investments and Holdings Limited	23	Gapco Rwanda SARL
3	Reliance Ventures Limited	24	Gapco Tanzania Limited
4	Reliance Strategic Investments Limited	25	Gapco Uganda Limited
5	Reliance Industries (Middle East) DMCC	26	Gapoil (Zanzibar) Limited
6	Reliance Jamnagar Infrastructure Limited	27	Gulf Africa Petroleum Corporation
7	Reliance Retail Limited	28	Transenergy Kenya Limited
8	Reliance Netherland B.V.	29	Recron (Malaysia) Sdn Bhd
9	Reliance Haryana SEZ Limited	30	Reliance Retail Travel & Forex Services Limited
10	Reliance Fresh Limited	31	Reliance Brands Limited
11	Retail Concepts & Services (India) Limited	32	Reliance Footprint Limited
12	Reliance Retail Insurance Broking Limited	33	Reliance Trends Limited
13	Reliance Dairy Foods Limited	34	Reliance Wellness Limited
14	Reliance Exploration and Production DMCC	35	Reliance Lifestyle Holdings Limited
15	Reliance Retail Finance Limited	36	Reliance Universal Ventures Limited
16	RESQ Limited	37	Delight Proteins Limited
17	Reliance Commercial Associates Limited	38	Reliance Autozone Limited
18	Reliancedigital Retail Limited	39	Reliance F&B Services Limited
19	Reliance Financial Distribution and Advisory Services Limited	40	Reliance Gems and Jewels Limited
20	RIL (Australia) Pty Limited	41	Reliance Integrated Agri Solutions Limited
21	Reliance Hypermart Limited	42	Strategic Manpower Solutions Limited
		43	Reliance Agri Products Distribution Limited



Persons constituting group coming within the definition of “group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following : (Contd.)

Sr. No.	Name of the Entity	Sr. No.	Name of the Entity
44	Reliance Digital Media Limited	83	Reliance Ambit Trade Private Limited
45	Reliance Food Processing Solutions Limited	84	Reliance Petro Marketing Limited
46	Reliance Home Store Limited	85	LPG Infrastructure (India) Limited
47	Reliance Leisures Limited	86	RIL USA Inc
48	Reliance Loyalty & Analytics Limited	87	International Oil Trading Limited
49	Reliance Retail Securities and Broking Company Limited	88	Central Park Enterprises DMCC
50	Reliance Supply Chain Solutions Limited	89	Reliance Corporate Services Limited
51	Reliance Trade Services Centre Limited	90	Reliance Corporate Center Limited
52	Reliance Vantage Retail Limited	91	Reliance Convention and Exhibition Center Limited
53	Wave Land Developers Limited	92	Reliance International B.V.
54	Reliance-GrandOptical Private Limited	93	Indiawin Sports Private Limited
55	Reliance Universal Commercial Limited	94	Reliance Exploration and Production Mauritius Limited
56	Reliance Petroinvestments Limited	95	Reliance Oil and Gas Mauritius Limited
57	Reliance Global Commercial Limited	96	Reliance Holding COOPERATIEF U.A.
58	Reliance People Serve Limited	97	Reliance Holding Netherlands B. V.
59	Reliance Infrastructure Management Services Limited	98	Reliance Exploration and Production B. V.
60	Reliance Global Business B V	99	Reliance International Gas B. V.
61	Reliance Gas Corporation Limited	100	Reliance Exploration and Production Limited
62	Reliance Global Energy Services (Singapore) Pte. Ltd.	101	Reliance Holdings USA Inc.
63	Reliance One Enterprises Limited	102	Reliance Marcellus LLC
64	Reliance Global Energy Services Limited	103	Infotel Broadband Services Limited
65	Reliance Personal Electronics Limited	104	Reliance Strategic (Mauritius) Limited
66	Reliance Polymers (India) Limited	105	Reliance Eagleford Midstream LLC
67	Reliance Polyolefins Limited	106	Reliance Eagleford Upstream LLC
68	Reliance Aromatics and Petrochemicals Limited	107	Reliance Eagleford Upstream GP LLC
69	Reliance Energy and Project Development Limited	108	Reliance Eagleford Upstream Holding LP
70	Reliance Chemicals Limited	109	Mark Project Services Private Limited
71	Reliance Universal Enterprises Limited	110	Reliance Energy Generation and Distribution Private Limited
72	Reliance Review Cinema Limited	111	Reliance Marcellus II LLC
73	Reliance Replay Gaming Limited	112	Reliance Security Solutions Limited
74	Reliance Nutritional Food Processors Limited	113	Reliance Industries Investments and Holding Limited
75	Reliance Commercial Land & Infrastructure Limited	114	Reliance Office Solutions Private Limited
76	Reliance Corporate IT Park Limited	115	Reliance Style Fashion India Limited
77	Reliance Eminent Trading & Commercial Private Limited	116	Gennext Innovation Ventures Private Limited
78	Reliance Progressive Traders Private Limited	117	Gennext Ventures Private Limited
79	Reliance Prolific Traders Private Limited	118	Reliance Home Products Limited
80	Reliance Universal Traders Private Limited	119	Reliance Styles India Limited
81	Reliance Prolific Commercial Private Limited	120	Infotel Telecom Limited
82	Reliance Comtrade Private Limited	121	Rancore Technologies Private Limited

Auditors' Report

To the Members of

Reliance Industrial Infrastructure Limited

1. We have audited the attached Balance Sheet of **Reliance Industrial Infrastructure Limited** as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **Chaturvedi & Shah**
Chartered Accountants
Registration No : 101720W

Amit Chaturvedi
Partner

Mumbai,
Dated : **14th April, 2011**

Membership No. : 103141

Annexure to Auditors' Report

Referred to in paragraph 3 of our report of even date

1. In respect of its Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
 - a. The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - a. The Company has not given any new loan during the year. However, the Company had granted loan in the past to a party and the maximum amount outstanding at any time during the year and the year-end balance is Rs. 760,000 thousand.



Annexure to Auditors' Report (continued)

- b. In our opinion and according to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loan given by the Company are not prima facie prejudicial to the interest of the Company.
 - c. The principal amount is repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - d. In respect of said loan, the same is repayable on demand and therefore the question of overdue amount does not arise.
 - e. The Company has not taken any loan during the year from the companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iii)(f) and clause (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
 5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (v)(b) of the Order are not applicable to the Company.
 6. The Company has not accepted any deposit from the public. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.
 7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
 8. We have been informed by the Management that the Central Government has not prescribed maintenance of cost records for the Company under Section 209(1)(d) of the Companies Act, 1956. Therefore, the provisions of clause 4 (viii) of the Order are not applicable to the Company.
 9. In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable. Amounts due and outstanding for a period exceeding six months as at 31st March, 2011 to be credited to Investor Education and Protection Fund of Rs. 87 thousand, which are held in abeyance due to pending legal cases, have not been considered.
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess on account of any dispute, which have not been deposited.
 10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
 11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company had no dues payable to Financial Institutions, Banks or Debenture holders.
 12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
 14. The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
 15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
 16. The Company has not raised any term loan during the year. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. The Company has not raised any monies by way of issue of debentures during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable to the Company.
 20. The Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Order are not applicable to the Company.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah**
Chartered Accountants
Registration No : 101720W

Amit Chaturvedi
Partner

Mumbai,
Dated : **14th April, 2011**

Membership No.: 103141

Reliance Industrial Infrastructure Limited

Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011	(Rs. in Thousand) As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	'A'	151,000	151,000
Reserves and Surplus	'B'	<u>1,824,098</u>	<u>1,667,087</u>
		1,975,098	1,818,087
Deferred Tax Liability		206,435	234,519
TOTAL		<u><u>2,181,533</u></u>	<u><u>2,052,606</u></u>
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	'C'	2,901,783	3,129,878
Less : Depreciation		<u>2,253,710</u>	<u>2,779,627</u>
Net Block		648,073	350,251
Capital Work-in-Progress		<u>17,144</u>	<u>58,137</u>
		665,217	408,388
Investments	'D'	262,737	67,737
Current Assets, Loans and Advances :			
Current Assets			
Inventories	'E'	7,499	8,985
Sundry Debtors		105,792	99,278
Cash and Bank Balances		<u>22,483</u>	<u>21,337</u>
		135,774	129,600
Loans and Advances	'F'	1,407,046	1,693,740
		<u>1,542,820</u>	<u>1,823,340</u>
Less : Current Liabilities and Provisions :			
Current Liabilities	'G'	206,555	160,535
Provisions		<u>82,686</u>	<u>86,324</u>
		289,241	246,859
Net Current Assets		1,253,579	1,576,481
TOTAL		<u><u>2,181,533</u></u>	<u><u>2,052,606</u></u>
Significant Accounting Policies	'K'		
Notes on Accounts	'L'		

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

Amit Chaturvedi
Partner

Mumbai
Dated : 14th April, 2011

For and on behalf of the Board

Mahesh K. Kamdar

Chairman

Chandra Raj Mehta
Sandeep H. Junnarkar
S. C. Malhotra

Directors

Dilip V. Dherai

Executive Director

Swatantra Kumar Sethi

Company Secretary

Reliance Industrial Infrastructure Limited

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	2010-2011	(Rs. in Thousand) 2009-2010
INCOME			
Income from Operations		604,583	539,105
Less : Service Tax Recovered		44,379	27,499
		<u>560,204</u>	<u>511,606</u>
Other Income	'H'	145,777	75,351
		<u>705,981</u>	<u>586,957</u>
EXPENDITURE			
Establishment and Other Expenses	'I'	395,799	276,377
Interest and Finance Charges	'J'	-	14,976
Depreciation		62,453	53,130
Less: Transferred from Revaluation Reserve (Refer Note 2, Schedule 'L')		5,406	6,814
		<u>57,047</u>	<u>46,316</u>
		<u>452,846</u>	<u>337,669</u>
Profit before Tax		253,135	249,288
Provision for Taxation :			
- Current Tax		57,378	42,237
- Deferred Tax		(28,084)	(12,704)
		<u>29,294</u>	<u>29,533</u>
Profit after Tax		223,841	219,755
Balance brought forward from last year		191,962	233,835
Amount Available For Appropriation		415,803	453,590
APPROPRIATIONS			
General Reserve		200,000	200,000
Proposed Dividend on Equity Shares		52,850	52,850
Tax on Dividend		8,574	8,778
		<u>261,424</u>	<u>261,628</u>
Balance carried to Balance Sheet		154,379	191,962
Basic and Diluted Earnings per share of face value Rs.10/- each (in Rs.) (Refer Note 7, Schedule 'L')		14.82	14.55
Significant Accounting Policies	'K'		
Notes on Accounts	'L'		

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

Amit Chaturvedi
Partner

Mumbai
Dated : 14th April, 2011

For and on behalf of the Board

Mahesh K. Kamdar

Chairman

Chandra Raj Mehta
Sandeep H. Junnarkar
S. C. Malhotra

Directors

Dilip V. Dherai

Executive Director

Swatantra Kumar Sethi

Company Secretary

Reliance Industrial Infrastructure Limited

Cash Flow Statement for the year ended 31st March, 2011

	(Rs. in Thousand)	
	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit and Loss Account	253,135	249,288
Adjusted for:		
Profit on Sale of Fixed Assets (net)	(55,714)	(3,219)
Profit on Sale of Current Investment	(9,013)	-
Depreciation	62,453	53,130
Lease Equalisation	-	8,289
Transferred from Revaluation Reserve	(5,406)	(6,814)
Dividend Income	(1,351)	(1,260)
Interest / Other Income	(73,535)	(70,616)
Interest and Finance Charges	-	14,976
	<u>(82,566)</u>	<u>(5,514)</u>
Operating profit before working capital changes	170,569	243,774
Adjusted for:		
Trade and Other Receivables	189,844	169,683
Inventories	1,486	8,954
Trade and Other Payables	45,412	(54)
	<u>236,742</u>	<u>178,583</u>
Cash generated from operations	407,311	422,357
Taxes paid	(20,039)	(50,377)
Net Cash from Operating Activities	387,272	371,980
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(334,716)	(82,576)
Sale of Fixed Assets	71,150	18,930
Purchase of Investments	(771,976)	-
Sale of Investments	585,989	500
Movement in Loans and Advances	(664)	69
Dividend Income	1,351	1,260
Interest / Other Income	124,502	28,712
Net Cash used in Investing Activities	(324,364)	(33,105)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowings	-	(250,000)
Dividends Paid	(61,762)	(61,339)
Interest Paid	-	(14,976)
Net Cash used in Financing Activities	(61,762)	(326,315)
Net Increase in Cash and Cash Equivalents (A+B+C)	1,146	12,560
Opening Balance of Cash and Cash Equivalents	21,337	8,777
Closing Balance of Cash and Cash Equivalents	22,483	21,337

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

Amit Chaturvedi
Partner

Mumbai

Dated : 14th April, 2011

For and on behalf of the Board

Mahesh K. Kamdar *Chairman*

Chandra Raj Mehta
Sandeep H. Junnarkar
S. C. Malhotra } *Directors*

Dilip V. Dherai *Executive Director*

Swatantra Kumar Sethi *Company Secretary*



Schedules forming part of the Balance Sheet

	As at 31st March, 2011	As at 31st March, 2010
(Rs. in Thousand)		
SCHEDULE A		
SHARE CAPITAL		
Authorised :		
200,000,000 Equity Shares of Rs. 10/- each (200,000,000)	<u>2,000,000</u>	<u>2,000,000</u>
Issued, Subscribed and Paid up :		
15,100,000 Equity Shares of Rs. 10/- each fully paid up (15,100,000)	<u>151,000</u>	<u>151,000</u>
TOTAL	<u>151,000</u>	<u>151,000</u>
 SCHEDULE B		
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	295,296	295,296
Share Premium Account		
As per last Balance Sheet	96,000	96,000
Revaluation Reserve		
As per last Balance Sheet	183,829	190,643
Less : Transferred to Profit and Loss Account (Refer Note 2, Schedule 'L')	<u>5,406</u>	<u>6,814</u>
	178,423	183,829
General Reserve *		
As per last Balance Sheet	900,000	700,000
Add : Transferred from Profit and Loss Account	<u>200,000</u>	<u>200,000</u>
	1,100,000	900,000
Profit and Loss Account		
	<u>154,379</u>	191,962
TOTAL	<u>1,824,098</u>	<u>1,667,087</u>

* Cumulative amount (net) withdrawn on account of Depreciation on Revaluation is Rs. 157,659 thousand.

Schedules forming part of the Balance Sheet

SCHEDULE C FIXED ASSETS

(Rs. in Thousand)

Description	Gross Block			As at 31.03.11	Depreciation		Net Block	
	As at 01.04.10	Additions	Deductions		For the year	Upto 31.03.11	As at 31.03.11	As at 31.03.10
Freehold Land	4,262	-	-	4,262	-	-	4,262	4,262
Leasehold Land	3,473	-	-	3,473	12	2,561	912	924
Buildings	23,227	-	-	23,227	758	13,620	9,607	10,365
Plant and Machinery	1,799,716	3,851	-	1,803,567	35,076	1,626,494	177,073	208,298
Construction Machinery	1,276,565	369,381	603,806	1,042,140	24,590	595,236 *	446,904	117,548
Furniture and Fixtures	5,036	-	-	5,036	188	4,426	610	799
Equipments	7,012	-	-	7,012	284	5,615	1,397	1,681
Vehicles	10,587	2,479	-	13,066	1,545	5,758	7,308	6,374
Total	3,129,878	375,711	603,806	2,901,783	62,453	2,253,710	648,073	350,251
Previous Year	3,851,851	116,118	838,091	3,129,878	53,130	2,779,627	350,251	
Capital Work-in-Progress							17,144	58,137

- Notes :** (i) Leasehold Land includes Rs. 2,344 thousand (Previous Year Rs. 2,344 thousand) in respect of which lease deed is pending execution.
- (ii) Gross Block includes Rs. 530,088 thousand being the amount added on revaluation of Plant and Machinery as at 01.04.1997. (Refer Note 2, Schedule 'L')
- (iii) Capital Work-in-Progress includes Rs. Nil (Previous Year Rs. 40,494 thousand) on account of advance against capital expenditure.

* includes provision for loss on impairment, Rs. 75 thousand (Previous Year Rs. 4,946 thousand),

(Rs. in Thousand)

As at
31st March, 2011

As at
31st March, 2010

SCHEDULE D

INVESTMENTS

LONG TERM INVESTMENTS

Other Investments :

In Equity Shares -

Quoted, fully paid up :

172,000 (172,000)	Equity Shares of Reliance Industries Limited of Rs. 10/- each	5,834	5,834
4,300 (4,300)	Equity Shares of Reliance Capital Limited of Rs. 10/- each	146	146
86,000 (86,000)	Equity Shares of Reliance Communications Limited of Rs. 5/- each	4,342	4,342
6,450 (6,450)	Equity Shares of Reliance Infrastructure Limited of Rs. 10/- each	819	819
- (86,000)	Equity Shares of Reliance Natural Resources Limited of Rs. 5/- each (as a result of amalgamation)	-	78
21,500 (-)	Equity Shares of Reliance Power Limited of Rs. 5/- each (as a result of amalgamation)	78	-



Schedules forming part of the Balance Sheet

SCHEDULE D

(Rs. in Thousand)

INVESTMENTS (continued)

		As at 31st March, 2011	As at 31st March, 2010
Unquoted, fully paid up :			
1,108,500 (1,108,500)	Equity Shares of Reliance Europe Limited of Sterling Pound 1/- each (Company under the same management)	39,338	39,338
18,000 (18,000)	Equity Shares of Rosche Trading Private Limited of Rs. 10/- each	180	180
In Debentures - Unquoted, fully paid up :			
140,000 (140,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Ral Investment Private Limited of Rs. 100/- each (Company under the same management)	14,000	14,000
30,000 (30,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of LPG Infrastructure (India) Limited of Rs. 100/- each (Company under the same management)	3,000	3,000
CURRENT INVESTMENTS			
In Others -			
In Units, Unquoted :			
9,924,755.293 (-)	HDFC Liquid Fund - Premium Plan - Growth of Rs. 10/- each	195,000	-
TOTAL		262,737	67,737

Aggregate Value of :	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	11,219	199,208	11,219	214,558
Unquoted Investments	251,518		56,518	
Investments Purchased and Sold during the year :				
Mutual Fund Units				
HDFC Cash Management Fund - Savings Plan - Growth		10	1,458,457	28,500
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth		10	1,389,644	28,505
HDFC Liquid Fund - Growth		10	2,106,353	39,021
HDFC Liquid Fund - Premium Plan - Growth		10	25,187,376	480,950
		As at 31st March, 2011	As at 31st March, 2010	

SCHEDULE E

CURRENT ASSETS

INVENTORIES

Stores and Spares

	7,499	8,985
TOTAL	7,499	8,985

Schedules forming part of the Balance Sheet

	As at 31st March, 2011	(Rs. in Thousand) As at 31st March, 2010
SCHEDULE E		
CURRENT ASSETS (continued)		
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	-	2,188
Considered Doubtful	<u>918</u>	<u>918</u>
	918	3,106
Less : Provision for doubtful debts	<u>918</u>	<u>918</u>
	-	2,188
Others, considered good	105,792	97,090
TOTAL	<u>105,792</u>	<u>99,278</u>
Note : Others include Rs. 22,180 thousand (Previous Year Rs. 44,398 thousand) from Reliance Infosolutions Private Limited, a Company under same management. Since amalgamated with Reliance Corporate IT Park Limited.		
CASH AND BANK BALANCES		
Balances with Scheduled Banks :		
In Current Accounts	22,233	21,087
In Deposit Accounts	<u>250</u>	<u>250</u>
TOTAL	<u>22,483</u>	<u>21,337</u>
SCHEDULE F		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,342,818	1,592,191
Advance Tax (net of provisions)	<u>64,228</u>	<u>101,549</u>
TOTAL	<u>1,407,046</u>	<u>1,693,740</u>
Note : Advances recoverable in cash or in kind or for value to be received include Rs. 462,465 thousand (Previous Year Rs. 675,657 thousand) from Reliance Infosolutions Private Limited, a Company under same management. Since amalgamated with Reliance Corporate IT Park Limited. Maximum amount outstanding during the year Rs. 675,657 thousand (Previous Year Rs. 868,655 thousand).		
SCHEDULE G		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors - Micro, Small and Medium Enterprises @	-	-
Sundry Creditors - Others	200,264	154,110
Unpaid Dividends #	<u>6,291</u>	<u>6,425</u>
	206,555	160,535
PROVISIONS		
Provision for Wealth Tax	64	46
Provision for Leave Encashment / Superannuation / Gratuity	21,198	24,650
Proposed Dividend	52,850	52,850
Tax on Dividend	<u>8,574</u>	<u>8,778</u>
	82,686	86,324
TOTAL	<u>289,241</u>	<u>246,859</u>

@ Based on the available information with the Company / intimation received from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, amounts unpaid as at year end / interest paid during the year / payable at the year end to such Enterprises under this Act is Nil.

These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 87 thousand (Previous Year Rs. 29 thousand) which is held in abeyance due to legal cases pending.

Schedules forming part of the Profit and Loss Account

	2010-2011	2009-2010
(Rs. in Thousand)		
SCHEDULE H		
OTHER INCOME		
Dividend from Long Term Investments	1,351	1,260
Interest on Loans and Deposits	76,617	70,744
(Tax deducted at source Rs. 6,840 thousand; Previous Year Rs. 1,482 thousand)		
Profit on Sale of Current Investment	9,013	-
Profit on Sale of Fixed Assets (Net)	55,714	3,219
Miscellaneous Income	3,082	128
TOTAL	<u><u>145,777</u></u>	<u><u>75,351</u></u>
SCHEDULE I		
ESTABLISHMENT AND OTHER EXPENSES		
Salaries, Wages and Bonus	105,086	73,126
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Pension Scheme etc.	11,917	4,488
Employees' Welfare and other amenities	3,904	3,703
	<u>120,907</u>	<u>81,317</u>
Stores and Spares Consumed	14,651	26,301
Repairs and Maintenance :		
- Plant and Machinery	3,940	7,916
- Buildings	18	31
- Others	254	1,117
	<u>4,212</u>	<u>9,064</u>
Operating Expenses	180,207	95,594
Electric Power	237	256
Rent	30,729	32,344
Rates and Taxes	5,575	8,774
Insurance Charges	5,667	4,062
Professional Fees	17,552	854
Payment to Auditors	1,100	1,000
Exchange Differences (Net)	-	40
Travelling and Conveyance	3,660	7,525
Miscellaneous Expenses	11,302	9,246
TOTAL	<u><u>395,799</u></u>	<u><u>276,377</u></u>
SCHEDULE J		
INTEREST AND FINANCE CHARGES		
Fixed Loans	-	14,825
Others	-	151
TOTAL	<u><u>-</u></u>	<u><u>14,976</u></u>

Significant Accounting Policies and Notes on Accounts

SCHEDULE K

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements :

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

B. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C. Own Fixed Assets :

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

D. Leased Assets :

In respect of fixed assets given on finance lease, assets are shown as receivable at an amount equal to net investment in the lease. Initial direct costs are recognised immediately as expense in the Profit and Loss Account. Income from leased assets is accounted by applying the interest rate implicit in the lease to the net investment.

E. Depreciation :

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

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

F. Impairment of Assets :

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

G. Foreign Currency Transactions :

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- (ii) Monetary items denominated in foreign currencies, if any at the year end are restated at year end rates.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

H. Investments :

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

I. Inventories :

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

J. Employee Benefits :

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts

Significant Accounting Policies and Notes on Accounts

SCHEDULE K

SIGNIFICANT ACCOUNTING POLICIES (continued)

payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Account.

K. Borrowing Cost :

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

L. Provision for Current Tax and Deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between the taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual / reasonable certainty that the assets will be realised in future.

M. Provision, Contingent Liabilities and Contingent Assets :

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

SCHEDULE L

NOTES ON ACCOUNTS

- The previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- Gross Block of Fixed Assets include Rs. 530,088 thousand (Previous Year Rs. 530,088 thousand) on account of revaluation of Fixed Assets carried out in the past. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 5,406 thousand (Previous Year Rs. 6,814 thousand) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account..
- As per Accounting Standard 15 "Employee Benefits" the disclosures of Employee benefits as defined in Accounting Standard are given below:

Defined Contributions Plan:

Contribution to Defined Contribution Plan, recognised as expense for the year are as under -

	(Rs. in Thousand)	
	2010-2011	2009-2010
Employer's Contribution to Provident Fund	3,093	2597
Employer's Contribution to Superannuation Fund	217	216
Employer's Contribution to Pension Scheme	798	846

Defined Benefit Plan :

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

	(Rs. in Thousand)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-2011	2009-2010	2010-2011	2009-2010
Defined Benefit Obligation at the beginning of the year	10,799	9,595	23,525	28,830
Current Service Cost	1,170	478	880	310
Interest Cost	870	768	716	1,561
Actuarial (gain) / loss	6,668	387	17,675	8,850
Benefits paid	(508)	(429)	(29,704)	(16,026)
Defined Benefit Obligation at the year end	18,999	10,799	13,092	23,525

Significant Accounting Policies and Notes on Accounts

SCHEDULE L

NOTES ON ACCOUNTS (continued)

(ii) Reconciliation of opening and closing balances of fair value of plan assets

	(Rs. in Thousand)	
	Gratuity (Funded)	
	2010-2011	2009-2010
Fair Value of Plan Assets at the beginning of the year	9,970	7,964
Expected return on plan assets	836	804
Actuarial gain / (loss)	63	-
Employer contribution	829	1,631
Benefits paid	(508)	(429)
Fair Value of plan assets at year end	11,190	9,970
Actual return on plan assets	-	804

(iii) Reconciliation of fair value of assets and obligations

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March		As at 31st March	
	2011	2010	2011	2010
Fair value of plan assets	11,190	9,970	-	-
Present value of obligation	18,999	10,799	13,092	23,525
Amount recognised in Balance Sheet	7,809	829	13,092	23,525

(iv) Expense recognised during the year (under the head "Salaries Wages and Bonus" - Refer Schedule "I")

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-2011	2009-2010	2010-2011	2009-2010
	Current Service Cost	1,170	478	880
Interest Cost	870	768	716	1,561
Expected return on plan assets	(836)	(804)	-	-
Actuarial (gain) / loss	6,605	387	17,675	8,850
Net Cost	7,809	829	19,271	10,721

(v) Details of Investments for employees' gratuity fund scheme managed by a Life Insurance Corporation of India are not available with the Company.

(vi) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-2011	2009-2010	2010-2011	2009-2010
	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Mortality table (LIC)				
Discount rate (per annum)	8.25%	8%	8.25%	7.5%
Expected rate of return on plan assets (per annum)	8.25%	8%	NA	NA
Rate of Escalation in Salary (per annum)	6%	6%	6%	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical result of return on plan assets and the Company's policy for plan asset management.

4. Segment Information :

The Company is mainly engaged in Infrastructure Activity in India. All activities of the Company revolve around this main business. As such, there are no separate reportable segments as per the Accounting Standard on Segment Reporting (AS - 17).



Significant Accounting Policies and Notes on Accounts

SCHEDULE L

NOTES ON ACCOUNTS (continued)

5. Related Party Disclosures :

As per Accounting Standard 18, disclosures of the transactions with the related parties as defined in the Accounting Standard are given below:

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

Name of the Related Party	Relationship
Reliance Corporate Centre Limited (Upto 25th August, 2009)	Subsidiary Companies
Reliance Convention and Exhibition Centre Limited (Upto 25th August, 2009)	
Reliance Industries Limited	Associate
Shri Dilip V. Dherai	Key Managerial Personnel

(ii) Transactions during the year with related parties :

(Rs. in Thousand)

Sr. No	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associate	Key Managerial Personnel	Total
A)	Unsecured Loans				
	Balance as at 1st April, 2010	-	-	-	-
		(-)	(250,000)	(-)	(250,000)
	Balance as at 31st March, 2011	-	-	-	-
		(-)	(-)	(-)	(-)
B)	Investments				
	Balance as at 1st April, 2010	-	5,834	-	5,834
		(500)	(5,834)	(-)	(6,334)
	Balance as at 31st March, 2011	-	5,834	-	5,834
		(-)	(5,834)	(-)	(6,334)
C)	Sundry Debtors as at 31st March, 2011	-	81,223	-	81,223
		(-)	(38,866)	(-)	(38,866)
D)	Loans and Advances				
	Given during the year	-	-	-	-
		(100)	(-)	(-)	(100)
	Balance as at 31st March, 2011	-	-	-	-
		(-)	(-)	(-)	(-)
E)	Income from Operations	-	303,088	-	303,088
		(-)	(319,942)	(-)	(319,942)
F)	Other Income				
	Dividend from Long Term Investments	-	1,204	-	1,204
		(-)	(1,118)	(-)	(1,118)
G)	Expenditure				
	Interest Expenses	-	-	-	-
		(-)	(14,825)	(-)	(14,825)
	Payment to Key Managerial Personnel	-	-	2,832	2,832
		(-)	(-)	(2,038)	(2,038)
H)	Guarantee taken	-	40,425	-	40,425
		(-)	(40,425)	(-)	(40,425)

Note : Figures in brackets represent previous year's amount.

Disclosure in respect of Material Related Party Transactions :

Transactions with Subsidiaries disclosed above were only with Reliance Corporate Centre Limited and relates to the previous year.

Significant Accounting Policies and Notes on Accounts

SCHEDULE L

NOTES ON ACCOUNTS (continued)

6. Finance Lease Disclosures :

(i) Assets given on finance lease :

(Rs. in Thousand)

	Total		Within one year		Later than one year and not later than five years		Later than five years	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Gross Investment	465,591	721,846	256,255	256,255	209,336	465,591	-	-
Less : Unearned finance income	42,159	95,652	13,357	13,357	28,802	82,295	-	-
Present value of minimum Lease Rental	423,432	629,194	242,898	242,898	180,534	383,296	-	-

(ii) General description of Lease terms :

- Assets are given on lease for period of five years.
- Lease rentals are charged on the basis of agreed rate of interest.

7. Earnings per Share :

	2010-2011	2009-2010
(i) Net Profit after tax available for equity shareholders (Rs. in thousand)	223,841	219,755
(ii) Weighted average of number of equity shares	1,51,00,000	1,51,00,000
(iii) Basic and Diluted Earnings per share (Rs.) (Face value of Rs. 10/- each)	14.82	14.55

8. Deferred Tax Liability :

Deferred tax liability comprise of the following :

(Rs. in Thousand)

	2010-2011	2009-2010
(i) Deferred Tax Liability		
Related to Fixed Assets	210,981	242,638
(ii) Deferred Tax Asset		
Provision for Doubtful Debts	298	305
Disallowances under Income Tax Act, 1961	4,248	7,814
	<u>4,546</u>	<u>8,119</u>
	<u>206,435</u>	<u>234,519</u>

9. Managerial Remuneration :

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

(ii) Establishment and Other expenses include Managerial Remuneration by way of :-

	2010-2011	2009-2010
Salaries	2675	1,863
Perquisites	34	52
Contribution to Provident Fund	123	123
	<u>2,832</u>	<u>2,038</u>

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

(iii) Miscellaneous Expenses include Rs. 400 thousand (Previous Year Rs. 400 thousand) towards sitting fees paid to non-executive directors.



Significant Accounting Policies and Notes on Accounts

SCHEDULE L

NOTES ON ACCOUNTS (continued)

10. Auditors' Remuneration :		(Rs. in Thousand)
	2010-2011	2009-2010
(i) Audit Fees	750	700
(ii) Tax Audit Fees	250	200
(iii) For Certification	100	100
	<u>1,100</u>	<u>1,000</u>
11. Expenditure in Foreign Currency on account of :		(Rs. in Thousand)
	2010-2011	2009-2010
(i) Travelling Expenses	2,784	381
ii) Other Matters	1	316
12. Additional Information :		(Rs. in Thousand)
	As at	As at
	31st March, 2011	31st March, 2010
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,906	1,737
(ii) Contingent Liability in respect of claims against the Company not acknowledged as debts	-	1,200
(iii) Income tax assessments of the Company have been completed upto Assessment Year 2009-2010. The total demand raised by the Income Tax department upto the said assessment year is Rs. 14,885 thousand (Previous Year Rs. 14,520 thousand). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.		
13. Value of Stores and Spares Consumed :		
	2010-2011	2009-2010
	(Rs. in Thousand)	(Rs. in Thousand)
	% of total Consumption	% of total Consumption
Imported	631	925
Indigenous	14,020	25,376
	<u>14,651</u>	<u>26,301</u>
	<u>100.00</u>	<u>100.00</u>
14. Additional information required under paras 3, 4 and 4A to 4D of Part II of Schedule VI of the Companies Act, 1956 are given to the extent applicable.		

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

Amit Chaturvedi
Partner

Mumbai
Dated : **14th April, 2011**

For and on behalf of the Board

Mahesh K. Kamdar

Chairman

Chandra Raj Mehta
Sandeep H. Junnarkar
S. C. Malhotra

Directors

Dilip V. Dherai

Executive Director

Swatantra Kumar Sethi

Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration Number
 Balance Sheet Date State Code

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

Public Issue Rights Issue
 Bonus Issue Private Placements

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

Total Liabilities Total Assets

SOURCES OF FUNDS :

Paid up Capital Reserves and Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

APPLICATION OF FUNDS :

Net Fixed Assets Investments
 Net Current Assets

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

Turnover Total Expenditure
 Profit Before Tax Profit After Tax
 Earnings per share in Rs. Dividend Rate %

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

Item Code No. (ITC Code)
 Product Description

**ATTENDANCE SLIP**

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

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

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **23rd Annual General Meeting** of the Company held on Thursday, 30th day of June, 2011 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020.

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

**PROXY FORM**

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

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

I / We
of being
a member / members of Reliance Industrial Infrastructure Limited hereby appoint
of or failing him
of.....
as my / our proxy to vote for me / us and on my / our behalf at the **23rd Annual General Meeting** of the Company to be held on Thursday, 30th June, 2011 at 11.00 a.m. and at any adjournment thereof.

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

Resolutions	For	Against
1. Adoption of Accounts, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Shri S. C. Malhotra, Director retiring by rotation		
4. Appointment of Auditors		

Signed this _____ day of _____ 2011.

* Applicable for investors holding shares in electronic form
Please see the instructions overleaf.

Signature

Affix 15 paise Revenue Stamp



- NOTE :
- (1) **The Proxy, to be valid, should be deposited at the Registered Office of the Company at NKM International House, 5th Floor, 178 Backbay Reclamation, Behind LIC Yogakshema Building, Babubhai Chinai Road, Mumbai – 400 020 not less than forty-eight hours before the time fixed for holding the meeting or adjourned meeting.**
 - (2) **A Proxy need not be a Member of the Company.**
 - ** (3) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. Should you so desire, you may also appoint the Chairman or the Company Secretary of the Company as your Proxy, who shall carry out your mandate as indicated above in the event of a poll being demanded at the meeting.
 - (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - (5) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

