

Report on Corporate Governance for 2006-07

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance, the Company submits, hereunder, a report on the matters mentioned in the said Clause and the practice followed by the Company :

1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all interactions with its stakeholders, government, lenders and employees.

The Company recognises that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all the stakeholders.

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

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

2. Board Composition and Particulars of Directors Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board of Directors of the Company (the Board) consists of 6 Directors, out of whom 2 are Independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and the individual shareholding of the Directors as on 31st March, 2007, in the Company, are as follows:

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

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

Shri Chandra Raj Mehta, aged 68 years is a Chartered Accountant and Company Secretary. He has had a distinguished career with the Government holding senior level positions in different capacities. He was a member of the Company Law Board and was also Regional Director, Department of Company Affairs. He has rich experience in Corporate Laws, Finance and Administration. He is the Chairman of the Shareholders'/ Investors' Grievance Committee, Audit Committee and Remuneration Committee of the Company. He is also on the Board of ETC Networks Limited, Fortune Financial Services (India) Limited and Essen Consultants Private Limited. He is the Chairman of the Remuneration Committee and Shareholders'/Investors' Grievance Committee and a Member of the Audit Committee of ETC Networks Limited. He is also a Member of the Audit Committee and the Remuneration Committee of Fortune Financial Services (India) Limited.

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

3. Board Meetings, its Committee Meetings and Procedures

A. Institutionalised decision making process

With a view to institutionalise all corporate affairs and set up systems and procedures for advance planning for matters requiring discussion/decisions by the Board, the Company has defined guidelines for the meetings of the Board and Committees thereof. These Guidelines seek to systematise the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

B. Scheduling and selection of Agenda Items for Board meetings

- (i) Minimum five Board meetings are held in each year, which are pre-scheduled. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee Meetings.
- (iii) The information placed before the Board includes:
 - Annual operating plans of businesses, capital budgets and any updates.
 - Quarterly results of the Company.
 - Minutes of meetings of Audit Committee and other Committees of the Board, as also Resolutions passed by circulation.
 - Appointment or resignation of Chief Financial Officer and Company Secretary.
 - Materially important show cause, demand, prosecution and penalty notices.
 - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
 - Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
 - Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
 - Details of any joint venture, acquisitions of companies or collaboration agreement, if any.
 - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
 - Significant labour problems and their proposed solutions. Any significant development in Human Resources.
 - Sale of material nature of investments and assets, which is not in normal course of business.
 - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
 - Quarterly summary of all long term borrowings made, bank guarantees issued, loans and investments made.

- Internal Audit findings and External Audit Management Reports (through the Audit Committee).
- Status of business risk exposures, its management and related action plans.
- Making of loans and investment of surplus funds.
- Proposals for investment, mergers and acquisitions, if any.
- Dividend declaration.
- General notices of interest of Directors.
- Terms of reference of Board Committees.

- (iv) The Chairman of the Board and the Company Secretary in consultation with other concerned team members of the senior management, finalise the agenda papers for the Board meetings.

C. Board Material distributed in advance

- a. Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.
- b. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

D. Recording Minutes of proceedings at Board and Committee meetings

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

E. Post Meeting Follow-up Mechanism

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

F. Compliance

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules made thereunder and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

4. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies

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

Note: NA denotes Not Applicable.

- * The Directorships held by Directors as mentioned above, do not include Directorships of Foreign Companies, Directorships of Section 25 Companies and Private Limited Companies.
- ** In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of the Public Limited Companies have been considered.
- *** Shri Chandra Raj Mehta was appointed as an Additional Director with effect from 29th August, 2006.
- **** Shri Satyapal Jain resigned as a Director with effect from 1st September, 2006.

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

Six Board Meetings were held during the year. This met with the requirements of Clause 49 of the Listing Agreement. The Company has held at least one Board meeting in every three months. The details of the Board meetings are as under :

Sr. No.	Date	Board Strength	No. of Directors Present
1.	22nd April, 2006	6	6
2.	12th July, 2006	6	6
3.	17th July, 2006	6	6
4.	14th October, 2006	6	6
5.	13th January, 2007	6	6
6.	10th March, 2007	6	5

6. Board Committees

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

(i) Audit Committee

The Audit Committee constituted by the Board of Directors consists of 2 (two) Independent Non-Executive Directors viz., Shri Chandra Raj Mehta and Shri Sandeep H. Junnarkar and 1 (one) Non-Independent Non-Executive Director viz., Shri S. C. Malhotra. All the members of the Committee are

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

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

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

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

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to providing accurate, timely and proper disclosures and the integrity and quality of financial reporting.

During the year, the Audit Committee met four times. Executives of Finance Department, Secretarial Department as also Representatives of Internal Auditors and Statutory Auditors attended the Audit Committee Meetings by invitation.

The terms of reference/powers of the Audit Committee have been specified by the Board of Directors as under :

a. The Audit Committee shall have the following powers :

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

b. The role of the Audit Committee includes the following :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:-

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.

- Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing with the management, the performance of statutory and internal auditors, adequacy of internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with Internal Auditors any significant findings and follow up thereon.
 9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower Mechanism.
 13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
 14. To review the following information:
 - The management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of Internal Auditors.

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

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

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

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

Four Committee meetings were held during the year. This met with the requirements of Clause 49 of the Listing Agreement. The details of the meetings are as under :

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

(ii) Remuneration Committee

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

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

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

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

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

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

Details of remuneration and other terms of appointment of Directors

The aggregate value of salary, allowances and perquisites paid for the year ended 31st March, 2007 to Shri Dilip V. Dherai (re-appointed as a Whole-time Director designated as Executive Director - Projects with effect from 1st July, 2004, for a period of 5 years) was Rs. 17.32 lac (salary and allowances Rs. 17.14 lac, perquisites Rs. 0.18 lac).

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

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

The Company pays sitting fees to all Directors other than the Whole-time Director, at the rate of Rs. 10,000/- for attending each meeting of the Board and/ or Committee thereof. Sitting fees paid for the year ended 31st March, 2007, are as follows:-

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

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

(iii) Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee constituted by the Board of Directors comprises of Shri Chandra Raj Mehta, Chairman, Shri Sandeep H. Junnarkar, Director and Shri Bharat C. Gosalia, Director. The Committee, inter alia, approves issue of duplicate share certificates and reviews all matters connected with transfer of securities. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee reviews the performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

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

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

The Board has authorised Shri Mahesh K. Kamdar, Chairman of the Board, Shri Bharat C. Gosalia, Director, Shri Dilip V. Dherai, Executive Director and Shri Swatantra Kumar Sethi, Company Secretary, severally, to approve the transfer of shares, transmission of shares, folio consolidation, change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of securities, replacement of certificates etc.

Shri Swatantra Kumar Sethi, Company Secretary has been designated by the Board as the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and in terms of the Listing Agreement.

Four Committee Meetings were held during the year. The details of the meetings are as under :

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

Investor Grievance Redressal

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

Type of Complaints	No. of Complaints
Non-Receipt of Annual Reports	5
Non-Receipt of Dividend Warrants	70
Non-Receipt of Certificates	11

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

Procedure at Committee Meetings

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

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

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

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

Note : The Company is in the process of setting up its own website.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Executive Director is given below :

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2006-07.

Dilip V. Dherai
Executive Director

8. Whistle Blower Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. The reports received from any employee will be reviewed by the Audit Committee. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

9. General Body Meetings

The last three Annual General Meetings of the Company were held as under :

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

Note :

1. No Special Resolutions were passed at the Annual General Meetings held for the years 2003-04, 2004-05 and 2005-06.
2. During the year ended 31st March, 2007, there were no resolutions passed by the Company's Members through postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

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

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

Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts - Schedule '17', forming part of the Annual Report.

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

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

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

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

11. Means of Communication

- **Half Yearly Reports** : Half Yearly Reports covering financial results are sent to members at their registered addresses.
- **Quarterly Results** : Quarterly Results are published in 'Financial Express' and 'Navshakti' (Vernacular).

The Company uploads its financial results, shareholding pattern and other information on the SEBI EDIFAR Website maintained by National Informatics Centre (NIC): <http://www.sebiedifar.nic.in>.

- **Annual Report** : Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto.

12. General Shareholder Information

a. Annual General Meeting (Day, Date, Time and Venue)	Thursday, 12th July, 2007 at 11.30 a.m At 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020												
b. Financial Calendar	<table> <tr> <td>Financial Year</td> <td>April 1 to March 31</td> </tr> <tr> <td>Results for Quarter ending 30th June, 2007 (tentative)</td> <td>Last week of July, 2007</td> </tr> <tr> <td>Results for Quarter/ Half Year ending 30th September, 2007 (tentative)</td> <td>Last week of October, 2007</td> </tr> <tr> <td>Results for Quarter ending 31st December, 2007 (tentative)</td> <td>Last week of January, 2008</td> </tr> <tr> <td>Results for Year ending 31st March, 2008 (tentative)</td> <td>Last week of April, 2008</td> </tr> <tr> <td>Annual General Meeting (tentative)</td> <td>July, 2008</td> </tr> </table>	Financial Year	April 1 to March 31	Results for Quarter ending 30th June, 2007 (tentative)	Last week of July, 2007	Results for Quarter/ Half Year ending 30th September, 2007 (tentative)	Last week of October, 2007	Results for Quarter ending 31st December, 2007 (tentative)	Last week of January, 2008	Results for Year ending 31st March, 2008 (tentative)	Last week of April, 2008	Annual General Meeting (tentative)	July, 2008
Financial Year	April 1 to March 31												
Results for Quarter ending 30th June, 2007 (tentative)	Last week of July, 2007												
Results for Quarter/ Half Year ending 30th September, 2007 (tentative)	Last week of October, 2007												
Results for Quarter ending 31st December, 2007 (tentative)	Last week of January, 2008												
Results for Year ending 31st March, 2008 (tentative)	Last week of April, 2008												
Annual General Meeting (tentative)	July, 2008												
c. Book Closure Date	Wednesday 4th July, 2007 to Wednesday 11th July, 2007 (both days inclusive) for the purpose of Annual General Meeting												
d. Listing of Equity Shares at	<ol style="list-style-type: none"> Bombay Stock Exchange Limited (BSE) Phioze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 												
e. Annual Listing Fees	Annual listing fee for the year 2007-08 has been paid by the Company to BSE and NSE												
f. Stock Code													
(i) Trading Symbol at	<table> <tr> <td>Bombay Stock Exchange Limited</td> <td>523445</td> </tr> <tr> <td>National Stock Exchange of India Limited</td> <td>RIIL</td> </tr> </table>	Bombay Stock Exchange Limited	523445	National Stock Exchange of India Limited	RIIL								
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National Stock Exchange of India Limited	RIIL												
(ii) Demat ISIN Numbers in NSDL and CDSL	<table> <tr> <td>Equity Shares</td> <td>INE046A01015</td> </tr> </table>	Equity Shares	INE046A01015										
Equity Shares	INE046A01015												

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

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

Source : BSE and NSE websites.

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

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

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

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

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

i. Share Transfer Agent

Karvy Computershare Private Limited
Karvy House, 46, Avenue 4, Street No. 1
Banjara Hills, Hyderabad - 500 034
Website : <http://www.karvy.com>
E-Mail : riilnkm@karvy.com
Telephone Nos. : +91-40-2332 0666 / 2332 0711 /
2332 3037

j. Share Transfer System

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

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

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

I. Top 10 Shareholders as on 31st March 2007

Sr. No.	Name of the Shareholder(s)	Total Holding	% to Total Capital
1	Reliance Industries Limited	6980000	46.23
2	Aavaran Textiles Private Limited	610000	4.04
3	Saumya Finance and Leasing Company Private Limited	600000	3.97
4	Raj Vikram Investments Private Limited	340000	2.25
5	Kudrat Investment and Leasing (India) Private Limited	320000	2.12
6	Syndicate Bank	161321	1.07
7	Reliance Capital Limited	160100	1.06
8	Gulabchand Chandulal Bafna	63823	0.42
9	Karvy Stock Broking Limited	62991	0.42
10	Jayantilal Premji Shah	62500	0.41

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

Sr. No.	Category (Shares)	Electronic			Physical			Total		
		No. of holders	No. of shares	% to total shares	No. of holders	No. of shares	% to total shares	No. of holders	No. of shares	% to total shares
1	01 - 100	26 880	12 69 222	8.40	5 976	5 96 808	3.95	32 856	18 66 030	12.35
2	101 - 500	5 041	12 79 815	8.48	624	1 69 100	1.12	5 665	14 48 915	9.60
3	501 - 1000	694	5 59 854	3.71	43	33 200	0.22	737	5 93 054	3.93
4	1001 - 5000	449	9 76 579	6.46	24	37 500	0.25	473	10 14 079	6.71
5	5001 - 10000	44	3 27 858	2.17	2	15 800	0.11	46	3 43 658	2.28
6	10001 - 50000	27	5 47 465	3.63	0	0	0.00	27	5 47 465	3.63
7	50001 - 100000	2	1 15 378	0.76	0	0	0.00	2	1 15 378	0.76
8	100001 & Above	7	91 71 421	60.74	0	0	0.00	7	91 71 421	60.74
	TOTAL	33 144	142 47 592	94.35	6 669	8 52 408	5.65	39 813	15100 000	100.00

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

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

o. Corporate Benefits

Dividend Declared for the last 10 Years

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2006-07	10th March, 2007 (Interim Dividend)	35%
2005-06	12th July, 2006	35%
2004-05	16th September, 2005	32%
2003-04	25th September, 2004	32%
2002-03	6th September, 2003	32%
2001-02	25th June, 2002	32%
2000-01	28th June, 2001	32%
1999-00	29th March, 2000	31%
1998-99	22nd September, 1999	30%
1997-98	2nd September, 1998	29%

p. Dematerialisation of Shares

1,42,47,592 shares representing 94.35% of the total shares issued by the Company have been dematerialised upto 31st March, 2007. Trading in Equity Shares of the Company is permitted only in dematerialised form with effect from 21st March, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

q. Liquidity

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

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

r. Outstanding GDRs/Warrants and Convertible Instruments

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

s. Plant Locations

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

t. Address for Correspondence

i. Investor Correspondence

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

For Shares held in Physical form

Karvy Computershare Private Limited
Unit - Reliance Industrial Infrastructure Limited
21, Avenue 4, Street No.1, Banjara Hills,
Hyderabad – 500 034
E-Mail : riilnkm@karvy.com

For Shares held in Demat form

To the investors' Depository Participant and/or Karvy Computershare Private Limited

ii. Any query on Annual Report should be addressed to

Company Secretary
Reliance Industrial Infrastructure Limited
NKM International House, 5th Floor,
178 Backbay Reclamation,
Behind LIC Yogakshema Building,
Babubhai Chinai Road,
Mumbai - 400 020.

For Communication

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

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

During the year under review, the Company has credited a sum of Rs. 5,22,300/- to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

13. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, Messrs Chaturvedi & Shah confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report. This Certificate has also been forwarded to the Stock Exchanges in India where the securities of the Company are listed.

14. Adoption of Non-Mandatory Requirements of Clause 49

The Company complies with the following Non-mandatory requirements stipulated under Clause 49 :-

a. Remuneration Committee :

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

b. Communication to shareholders:

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

c. Audit Qualification :

The Company is in the regime of unqualified financial statements.

d. Whistle Blower policy :

The Company has a whistle blower mechanism wherein the Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports

received will be reviewed by the Audit Committee from time to time. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

15. Secretarial Audit Report

The Company has voluntarily appointed Dr. K. R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2007, who has submitted his report confirming compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is annexed.

16. Capital Integrity Audit Report

The Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges in India where the securities of the Company are listed.

17. Fee to Statutory Auditors

The fee paid (exclusive of Service Tax) to the Statutory Auditors for the year was Rs. 8.15 lac (previous year Rs. 7.65 lac) including Rs.0.60 lac (previous year Rs. 0.60 lac) as fees paid for Certification in finance and tax matters.