

**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](http://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](http://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**

<b>Name of the Committee Member</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
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 :

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

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](http://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 :

- (a) No special resolutions were passed at the Annual General Meetings held for the years 2007-08, 2008-09 and 2009-10.
- (b) 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**

- (a) Quarterly Results** : Quarterly Results are published in 'Financial Express' and 'Navshakti' and are displayed on the Company's website [www.riil.in](http://www.riil.in).
- (b) 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](http://www.riil.in).
- (c) Reminder to Investors** : Reminders for Unpaid Dividend are sent to the Shareholders as per records every year.
- (d) Website** : The Company's website [www.riil.in](http://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.
- (e) Designated Exclusive email-id** : The Company has designated the following email-ids exclusively for investor servicing :
  - (i) For queries on Annual Report : [investor\\_relations@riil.in](mailto:investor_relations@riil.in)
  - (ii) For queries in respect of shares in physical mode : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)

## 12. General Shareholder Information

<b>(a) Company Registration Details</b>	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>(b) Annual General Meeting (Day, Date, Time and Venue)</b>	Thursday, 30th June, 2011 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020.												
<b>(c) Financial Calendar (Tentative)</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Financial Year</td> <td>April 1 to March 31</td> </tr> <tr> <td>Results for Quarter ending 30th June, 2011</td> <td>Last week of July, 2011</td> </tr> <tr> <td>Results for Quarter/ Half Year ending 30th September, 2011</td> <td>Last week of October, 2011</td> </tr> <tr> <td>Results for Quarter ending 31st December, 2011</td> <td>Last week of January, 2012</td> </tr> <tr> <td>Results for Year ending 31st March, 2012</td> <td>Last week of April, 2012</td> </tr> <tr> <td>Annual General Meeting</td> <td>July, 2012</td> </tr> </table>	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
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												
<b>(d) Book Closure Period</b>	Wednesday, 25th May, 2011 to Tuesday, 31st May, 2011 (both days inclusive) for payment of dividend.												
<b>(e) Dividend Payment Date</b>	On 1st July, 2011.												
<b>(f) Listing of Equity Shares at</b>	<p>(i) Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. <b>Scrip Code: 523445</b></p> <p>(ii) National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. <b>Trading Symbol: RIIL</b> <b>ISIN: INE046A01015</b></p>												
<b>(g) Payment of Listing Fees</b>	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**

	RIIL	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**

	RIIL	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](http://www.karvy.com)  
e-mail : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)

List of Investor Service Centres of Karvy Computershare Private Limited has been put on the Company's website [www.riil.in](http://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.

### (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 Group <sup>1</sup>			
(1)	Indian	1	68 60 064	45.43
(2)	Foreign	0	0	
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>1</b>	<b>68 60 064</b>	<b>45.43</b>
(B)	Public Shareholding <sup>2</sup>			
(1)	Institutions	36	1 32 704	0.88
(2)	Non-institutions	119345	81 07 232	53.69
	<b>Total Public Shareholding</b>	<b>119381</b>	<b>82 39 936</b>	<b>54.57</b>
	<b>Total (A) + (B)</b>	<b>1 19382</b>	<b>1 51 00 000</b>	<b>100.00</b>

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

<sup>2</sup> 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

**(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	8077	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
<b>Total</b>		<b>1 14 333</b>	<b>1 44 68 549</b>	<b>95.82</b>	<b>5 049</b>	<b>6 31 451</b>	<b>4.18</b>	<b>1 19 382</b>	<b>1 51 00 000</b>	<b>100.00</b>

**(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
<b>Total</b>		<b>114333</b>	<b>95.77</b>	<b>14468549</b>	<b>95.82</b>	<b>5049</b>	<b>4.23</b>	<b>631451</b>	<b>4.18</b>	<b>119382</b>	<b>100.00</b>	<b>15100000</b>	<b>100.00</b>

**(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 :

	<b>BSE</b>	<b>NSE</b>	<b>TOTAL</b>
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.  
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.