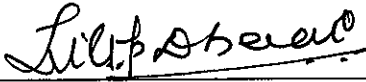

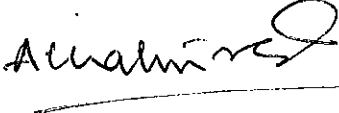
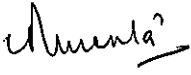


**Compliance under Clause 31(a) of the Listing Agreement**

**FORM A**

1	Name of the Company	Reliance Industrial Infrastructure Limited
2	Annual financial statements for the year ended	31st March, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of observation	Not applicable
5	<p><u>Signed by:</u></p> <p>1. Dilip V. Dherai – Executive Director (CEO)</p> <p>2. Tapas Mitra (CFO)</p> <p>3. Amit Chaturvedi Partner Membership No. 103141 For Chaturvedi &amp; Shah (Chartered Accountants) Registration No. 101720W</p> <p>4. Chandra Raj Mehta (Chairman of Audit Committee)</p>	   

Date : 16th April, 2014



# Reliance

Industrial Infrastructure  
Limited



Twenty Sixth Annual Report | 2013-2014

## **Contents**

2	Company Information
3	Notice of Annual General Meeting
8	Corporate Governance Report
25	Secretarial Audit Report
27	Shareholders' Referencer
39	Directors' Report
42	Auditors' Certificate on Corporate Governance
43	Independent Auditors' Report on Financial Statements
46	Balance Sheet
47	Statement of Profit and Loss
48	Cash Flow Statement
49	Significant Accounting Policies
51	Notes on Financial Statements
63	Attendance Slip and Proxy Form

## Company Information

### Board of Directors

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

### Auditors

Chaturvedi & Shah

### Solicitors & Advocates

Kanga & Co.

### Company Secretary and Compliance Officer

N. Shanker

### Bankers

HDFC Bank Limited  
 ICICI Bank Limited  
 Syndicate Bank

### Chief Financial Officer

Tapas Mitra

### Registered Office

NKM International House, 5th Floor,  
 178 Backbay Reclamation,  
 Behind LIC Yogakshema Building,  
 Babubhai Chinai Road,  
 Mumbai - 400 020, India  
 Tel. : +91 22 4477 9053  
 Fax : +91 22 4477 9052  
 Website: <http://www.riil.in>  
 E-mail : [investor\\_relations@riil.in](mailto:investor_relations@riil.in)

### Audit Committee

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

### Stakeholders Relationship Committee

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

### Share Transfer Agent

#### Karvy Computershare Private Limited

Plot No. 17- 24, Vittal Rao Nagar,  
 Madhapur, Hyderabad - 500 081, India  
 Tel. : +91 40 4465 5070 - 5099  
 Toll Free No. : 1800 425 8998  
 Fax : +91 40 2311 4087  
 Website : [www.karvy.com](http://www.karvy.com)  
 E-Mail : [riilnkm@karvy.com](mailto:riilnkm@karvy.com)

### Nomination and Remuneration Committee

Chandra Raj Mehta *Chairman*  
 Mahesh K. Kamdar  
 Sandeep H. Junnarkar  
 S. C. Malhotra

### Corporate Social Responsibility Committee

Mahesh K. Kamdar *Chairman*  
 Chandra Raj Mehta  
 Sandeep H. Junnarkar  
 S. C. Malhotra

**26th Annual General Meeting on Wednesday, 2nd July, 2014 at 11.00 a.m.  
 at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg,  
 Churchgate, Mumbai – 400 020.**

## Notice

Notice is hereby given that the twenty-sixth Annual General Meeting of the members of Reliance Industrial Infrastructure Limited will be held on Wednesday, 2nd July, 2014 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following businesses:

### Ordinary Business

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2014, the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri S. C. Malhotra (DIN: 00013967), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

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

### Special Business

5. To re-appoint Shri Dilip V. Dherai (DIN: 00011789) as a Whole-time Director, designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the (i) re-appointment of Shri Dilip V. Dherai (DIN: 00011789), as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (five) years with effect from 1st July, 2014, (ii) remuneration payable to him with effect from 1st April, 2014 on the terms and conditions, as set out in the Statement

annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Dilip V. Dherai, subject to such remuneration not exceeding the limits specified under the Act read with Schedule V to the Act or any statutory modification(s) thereto or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve the remuneration of the Cost Auditor for the financial year ending 31st March, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to

the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

N. Shanker  
Company Secretary and Compliance Officer

16th April, 2014

Registered Office:  
NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
Babubhai Chinai Road,  
Mumbai - 400 020, India  
CIN: L60300MH1988PLC049019  
e-mail: investor\_relations@riil.in

**Notes:**

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri S. C. Malhotra, Director, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment.
4. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
9. (a) The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, 28th May, 2014 to Tuesday, 3rd June, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched on 3rd July, 2014 to those members whose names shall appear on the Company's Register of Members on 27th May, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Share Transfer Agent, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their

demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.

12. Pursuant to the provisions of Section 205A(5) and Section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1994-95 to 2005-06 and interim dividend for the financial year 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th June, 2013 (date of last Annual General Meeting) on the website of the Company ([www.riil.in](http://www.riil.in)), as also on the website of the Ministry of Corporate Affairs.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
16. Members may please note that the Company has **not issued any new share certificate** consequent to change in name of the Company from **Chembur Patalganga Pipelines Limited to CPPL Limited** (with effect from 11th September, 1992) and thereafter to **Reliance Industrial Infrastructure Limited** (with effect from 16th March, 1994) but has sent change of name stickers to be affixed on the share certificates. Members holding shares in physical form who have not received these stickers may please write to Karvy, for receiving the stickers from them.
17. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type,

account number and address of the bank with pin code number, if not furnished earlier.

18. Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.
19. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
20. **In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). Communication containing detailed instructions in this regard is being sent to Members.**

#### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### Item No. 5

The term of office of Shri Dilip V. Dherai as a Whole-time Director would expire on 30th June, 2014. He was initially appointed as a Whole-time Director designated as Executive Director, Projects with effect from 1st July, 1994 and thereafter re-appointed from time to time in terms of the provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on 16th April, 2014 has, subject to the approval of members, re-appointed Shri Dilip V. Dherai as Whole-time Director, designated as Executive Director for a further period of 5 (five) years with effect from 1st July, 2014 and approved the remuneration payable to him with effect from 1st April, 2014, earlier recommended by the Nomination and Remuneration Committee of the Board of the Company.

It is proposed to seek the members' approval for the re-appointment of Shri Dilip V. Dherai as Whole-time Director, designated as Executive Director with effect from 1st July, 2014, and for the remuneration payable to him with effect from 1st April, 2014, in terms of the applicable provisions of the Act, the relevant provisions of which have come into force with effect from 1st April, 2014.

The Nomination and Remuneration Committee as well as the Board reviewed the remuneration payable to Shri Dilip V. Dherai, and keeping in view the need for leveraging experience and expertise as well as rewarding talent and the current trend in corporate payments, has proposed the remuneration as given below. The remuneration sets out the maximum limits and approval is sought to enable the Board and/or the Nomination and Remuneration Committee of

the Board to fix the remuneration within such limits. The particulars of the remuneration are as under:

- (1) Remuneration which will include:
  - (a) **Salary and Allowances:** In the range of ₹ 4 lakh to ₹ 9 lakh per month. Allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) thereto or re-enactment thereof; in the absence of any such rules, allowances shall be evaluated at actual cost.
  - (b) **Perquisites** (in addition to salary and allowances) which shall include: insurance, leave travel concession for self and family including dependents and such other perquisites as per Company rules. The said perquisites shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) thereto or re-enactment thereof; in the absence of any such rules, the perquisites shall be evaluated at actual cost.
- (2) The Company's contribution to provident fund, superannuation or annuity fund, if any, gratuity payable, to the extent not taxable under the Income Tax law and encashment of leave, as per the rules of the Company, shall not be included for the purpose of computation of the aforesaid remuneration under (1) (a) above.
- (3) Increment in salary, allowances and perquisites and amounts, if any, by way of incentive / bonus payable to Shri Dilip V. Dherai as may be determined by the Board and / or Nomination and Remuneration Committee of the Board, shall not be included for the purpose of computation of the aforesaid remuneration under (1) (a) above, provided that the total payment under (1) to (3) shall be within the overall ceiling of remuneration permissible under the Act.
- (4) **Reimbursement of Expenses:**  
Expenses incurred for travelling, board and lodging during business trips; use of corporate credit card and provision of any medical assistance; provision of car and use thereof on Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.
- (5) **General:**
  - (i) Where in any financial year closing after 31st March, 2014, the Company has no profits or its profits are inadequate, the Company will pay to Shri Dilip V. Dherai, remuneration under (1) to (3) above not exceeding the limit permissible under Schedule V to the Act or any statutory modification(s) thereto or re-enactment thereof.

- (ii) The Whole-time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Board of Directors of the Company.
- (iii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iv) The Whole-time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management Personnel for the time being in force.
- (v) The office of the Whole-time Director may be terminated by the Company or the Whole-time Director by giving to the other, 3 (three) months prior notice in writing.

Shri Dilip V. Dherai, satisfies all the eligibility conditions set out in Section 196(3) and in Part I of Schedule V to the Act for being eligible for re-appointment and has offered himself for re-appointment.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Dilip V. Dherai under Section 190 of the Act.

A brief resume of Shri Dilip V. Dherai, nature of his expertise in specific functional areas, names of companies in which he holds directorships, his shareholding and relationships amongst directors inter-se, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is provided in the Corporate Governance Report forming part of the Annual Report.

Shri Dilip V. Dherai is interested in the resolution set out at Item No. 5 of the Notice as it pertains to his re-appointment and remuneration payable to him.

The relatives of Shri Dilip V. Dherai may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.



#### Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of Messrs V. Kumar & Associates, Cost Auditor to conduct the audit of the cost records of the Company relating to its activity of transporting petroleum products through pipelines for the financial year ending 31st March, 2015 on a remuneration of ₹ 84,000/-.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### Item No. 7

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter-alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the

model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new draft AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

By Order of the Board of Directors

N. Shanker  
Company Secretary and Compliance Officer

16th April, 2014

Registered Office:  
NKM International House, 5th Floor,  
178 Backbay Reclamation,  
Behind LIC Yogakshema Building,  
Babubhai Chinai Road,  
Mumbai - 400 020, India  
CIN: L60300MH1988PLC049019  
e-mail: investor\_relations@riil.in

## Corporate Governance Report

**In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) 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 follows:**

### 1. Statement on 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 and fairness in all its transactions and meets its stakeholders' aspirations.

The demands of corporate governance require professionals to raise their competency and capability 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 and corporate secretarial teams, auditors and senior management – the CEO and CFO.

The Company is committed to achieve and maintain the highest 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.

Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business is done.

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

- **Independent Board with defined role and responsibilities**

The Board of the Company comprises of 5 directors, of which 2 are independent directors. The Board's actions and decisions are aligned with the Company's best interests. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees which assist to systematise the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner. The Board provides and critically

evaluates strategic direction of the Company, management policies and their effectiveness. The agenda for the Board includes a review of annual operating plans and capital allocation and budgets. The Board also reviews related party transactions and financial reporting.

- **Ethics Policies**

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. In this direction, the Company has adopted the following codes which act as enablers to carry out our duties in an ethical way:

1. Code of Business Conduct and Ethics for Directors and Management Personnel
2. Code of Conduct for Prohibition of Insider Trading

- **Audits and internal checks and balances**

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. The Company has an Internal Audit Cell besides external firms acting as independent internal auditors, that reviews internal controls and operating systems and procedures. A dedicated Legal Compliance Cell ensures that the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has instituted a legal compliance programme in conformity with the best international standards, supported by a robust online system that covers all its activities. The gamut of this system includes statutes such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environmental regulations. At the heart of our processes is the extensive use of technology. This ensures robustness and integrity of financial reporting, internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies.

- **Best Corporate Governance practices**

The Company maintains the highest standards of corporate governance. It is the Company's constant endeavour to adopt the best corporate governance practices which include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders Relationship Committee (previously Shareholders' / Investors' Grievance Committee) of Directors.
- The Company's internal audit is conducted by independent auditors.
- The Company also undergoes secretarial audit conducted by an independent company secretary who is in whole-time practice. Quarterly secretarial audit reports are placed before the Board and the annual secretarial audit report placed before the Board, is included in the Annual Report.

- **Constitution of 'Corporate Social Responsibility Committee'**

The Company's Board has constituted a 'Corporate Social Responsibility Committee' (CSR Committee). CSR Committee is primarily responsible for formulating and monitoring implementation of the framework of corporate social responsibility policy. The Company has been carrying on its corporate social responsibility activities through Reliance Foundation for the last 2 years and proposes to continue to carry on its CSR activities through Reliance Foundation. Social welfare and community development is a part of the Company's CSR philosophy. The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large.

- **Constitution of 'Nomination and Remuneration Committee'**

To rationalise all employees' related issues, while adhering to the requirements of the Companies Act, 2013 / Clause 49 of the Listing Agreement, as amended from time to time, the Board of the Company has constituted the 'Nomination and Remuneration Committee'. The terms of reference of the erstwhile 'Remuneration Committee' have been assumed by the Nomination and Remuneration Committee; consequently, the erstwhile Remuneration Committee was dissolved.

- **Constitution of 'Stakeholders Relationship Committee'**

The Board has constituted the Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of erstwhile Shareholders' / Investors' Grievance (SIG) Committee was conferred on

the Stakeholders Relationship Committee and consequently, the erstwhile SIG Committee was dissolved.

- **Shareholders communications**

The Board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company's website ([www.ril.in](http://www.ril.in)) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company directly or through any of the Investor Service Centres of the Company's Share Transfer Agent, details of which are available on the Company's website. The Company ensures that complaints and suggestions of shareholders are responded to in a timely and consistent manner. A shareholders' referencer is appended to this annual report which is comprehensive and informative.

- **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 assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

- **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India**

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, 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 and Board's Report. Although these Standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

## 2. Board of Directors

### Board composition and category of Directors

The composition of the Board and category of Directors are as follows:

Category	Name of 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

The Independent Directors of the Company at the first meeting of the Board in every financial year, are required to give a declaration that they meet with the criteria of independence as provided under law. These declarations have been obtained from the two Independent Directors.

No Director is, inter se, related to any other Director on the Board.

### Directors' Profile

A brief resume of 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** (DIN 00013915) is a graduate in Commerce from Mumbai University. He was conferred Honorary Doctorate 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 the Chairman of the Corporate Social Responsibility Committee of the Company. He is also a Member of the Nomination

and Remuneration Committee and Stakeholders Relationship Committee of the Company.

Shri Kamdar is also on the Board of Reliance Gas Transportation Infrastructure Limited, The Indian 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, 2014.

(b) **Shri Chandra Raj Mehta** (DIN 00002011) 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 and is liable to retire by rotation. He is the Chairman of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company. He is also a Member of Corporate Social Responsibility Committee of the Company.

Shri Mehta does not hold any share of the Company as on 31st March, 2014.

(c) **Shri Sandeep H. Junnarkar** (DIN 00003534) 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 exchange management laws and securities regulations.

Shri Junnarkar is a Director of the Company since 27th April, 1991 and is liable to retire by rotation. He is a Member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Shri Junnarkar is also on the Board of Everest Industries Limited, Excel Crop Care Limited, IIDC Limited (formerly IL&FS Infrastructure Development Corporation Limited), IL&FS Tamil Nadu Power Company Limited, Jai Corp Limited, Jai Realty Ventures Limited, Reliance Industrial Investments and Holdings Limited and Reliance Ports And Terminals 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 a Member of the Audit Committee of Everest Industries Limited and IL&FS Tamil Nadu Power Company Limited. He is also a Member of the Remuneration Committee of Everest Industries Limited, Excel Crop Care Limited and IIDC Limited.

Shri Junnarkar does not hold any share of the Company in his name as on 31st March, 2014.

- (d) **Shri S. C. Malhotra** (DIN 00013967) graduated in Mechanical Engineering from Banaras Hindu University. He has five decades of 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, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Shri Malhotra is on the Board of Reliance Ports And Terminals Limited. He is also a Member of the Audit Committee of Reliance Ports And Terminals Limited.

Shri Malhotra does not hold any share of the Company in his name as on 31st March, 2014.

- (e) **Shri Dilip V. Dherai** (DIN 00011789) 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 with effect from 1st July, 1994. He was re-appointed in the same capacity with effect from 1st July, 1999, 1st July, 2004 and 1st July, 2009.

Shri Dherai is on the Board of Mumbai SEZ Limited and Indigo Commercials Private Limited. He does not hold any membership of a Board Committee of any other Company.

Shri Dherai holds 1,700 shares of the Company in his name as on 31st March, 2014.

### 3. Board Meetings, Board Committee Meetings and Procedures

#### (a) Institutionalised decision-making process

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

The Board has constituted four Board Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on business needs.

The Company's internal guidelines for Board / Board Committee meetings facilitate the decision making process at its meetings 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 pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. 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 Board / Board Committee meetings. Such matters are communicated by them to the Company Secretary in advance so that they are included in the agenda for Board / Board Committee meetings.
- (iii) The Board is given presentations / briefed on areas covering operations of the Company, business strategy and risk management practices before taking on record the quarterly / annual financial results of the Company.
- (iv) The items / matters required to be placed before the Board, inter alia, include:
  - Disclosure of Directors' interest and their shareholding

- 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 meetings of the Audit Committee and other Committees of the Board, as also Resolutions passed by circulation
  - Declaration of independent directors at the time of appointment / annually
  - Quarterly results of the Company
  - Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
  - Appointment of Directors in place of those retiring by rotation
  - Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
  - Appointment or removal of the Key Managerial Personnel (KMP) and officers one level below KMP
  - Appointment of Internal Auditors and Secretarial Auditors
  - Show cause, demand, prosecution notices and penalty notices, which are materially important
  - Quarterly details of foreign exchange exposures' and steps taken by management to limit risks of adverse exchange rate movement, if material
  - Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
  - Any issue, which involves possible public or product 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
  - Significant labour problems and their proposed solutions. Any significant development in Human Resources front
  - Sale of material nature of investments, subsidiaries and assets which is not in normal course of business
  - Statement of significant transactions, related party 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), among others
  - Quarterly summary of all long term borrowings made, bank guarantees issued and 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
  - Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
  - Compliance Certificate certifying compliance with all laws applicable to the Company
  - Making of loans and investment of surplus funds
  - Proposals for major investments, mergers, amalgamations and reconstructions
  - Recommendation / declaration of Dividend
  - Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments
  - Brief on information disseminated to the press
  - Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- (v) The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board meetings.

**(c) Board material distributed in advance**

The agenda and notes on agenda are circulated to Directors, in advance, and 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, it 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 minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members 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 Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board / Board Committee meetings are communicated promptly to the concerned departments / divisions. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding

meeting of the Board / Board Committee for noting.

**(f) Compliance**

The Company Secretary, while preparing the agenda, notes on agenda, minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 / Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

**4. Number of Board meetings held with dates**

Six Board meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board meetings held are given below:

Date	Board Strength	No. of Directors Present
10th April, 2013	5	5
28th June, 2013	5	5
15th July, 2013	5	5
12th October, 2013	5	5
13th January, 2014	5	5
29th March, 2014	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 2013-14		No. of Other Directorship(s) *	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies **
	Board Meetings	Last AGM		
Mahesh K. Kamdar	6	Yes	1	1
Chandra Raj Mehta	6	Yes	Nil	Nil
Sandeep H. Junnarkar	6	Yes	8	2
S. C. Malhotra	6	Yes	1	1
Dilip V. Dherai	6	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 of the Listing Agreement, 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

### Procedure at Committee Meetings

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

### Terms of Reference and other details of Board Committees

#### (a) Audit Committee

**Composition of the Committee:** 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.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### 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

#### Role of the Audit Committee, inter alia, includes the following:

- 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
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them

- Reviewing with the management, the annual financial statements and auditors report thereon 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 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 statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems



- Reviewing with the management, the performance of statutory auditors including cost auditors 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 depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, of the candidate
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors
- Reviewing 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 financial statements and in particular the investments made by the unlisted subsidiaries, if any, of the Company
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company

**Meeting Details:** 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	4

**General**

Executives of Accounts Department, Corporate Secretarial Department and Internal Audit Cell and representatives of statutory and internal auditors attend the Audit Committee Meetings. The cost auditor attends the Audit Committee Meeting where cost audit report is discussed.

The due date for filing the cost audit report in XBRL mode for the financial year ended 31st March, 2013 was 27th September, 2013 and the cost audit report was filed by the cost auditor on 25th September, 2013. The due date for filing the cost audit report for the financial year ended 31st March, 2014 is 27th September, 2014.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 28th June, 2013.

**(b) Nomination and Remuneration Committee**

**Composition of the Committee:** The Nomination and Remuneration Committee of the Board, comprises two Independent Non-Executive Directors, namely Shri Chandra Raj Mehta, Chairman and Shri Sandeep H. Junnarkar and two Non-Independent Non-Executive Directors, namely, Shri Mahesh K. Kamdar and Shri S. C. Malhotra.

The Board of Directors of the Company at its meeting held on 29th March, 2014 constituted the Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Consequently the erstwhile Remuneration Committee constituted earlier has been dissolved.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To recommend / review remuneration of the Whole-time Director(s), based on their performance and defined assessment criteria
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Meeting Details:** No Meeting of the Remuneration Committee / Nomination and 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 Nomination and 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, 2014 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 ₹ 20.25 lakh (salary, allowances and leave encashment ₹ 18.47 lakh, perquisites ₹ 0.05 lakh and Retiral Benefits ₹ 1.73 lakh).

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. There is no separate provision for payment of severance fees.

The Company pays sitting fees to all the Directors other than the Executive Director, at the rate of ₹ 20,000/- for attending each Meeting of the Board and / or Committee thereof. Sitting fees paid for the year ended 31st March, 2014, are as follows:

Shri Mahesh K. Kamdar : ₹ 2,00,000/-, Shri Chandra Raj Mehta : ₹ 2,80,000/-, Shri Sandeep H. Junnarkar : ₹ 2,80,000/-, Shri S. C. Malhotra : ₹ 2,00,000/-.

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

**(c) Stakeholders Relationship Committee**

**Composition of the Committee:** The Stakeholders Relationship 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.

The Stakeholders Relationship Committee (SR Committee) was constituted by the Board on 29th March, 2014 consequent to the dissolution of the Shareholders'/Investors' Grievance Committee (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

**Terms of Reference of the Committee, inter alia, includes the following:**

- Oversee and review all matters connected with the transfer of the Company's shares

- Monitor redressal of investors' / shareholders' grievances
- Oversee the performance of the Company's Share Transfer Agent
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

**Meeting Details:** Four meetings of the SIG Committee were held during the year.

**Attendance of each Member at the SIG Committee meetings held during the year**

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

**Compliance Officer:** Shri N. Shanker, Company Secretary and Compliance Officer, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with 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 are as under:

Type of Complaints	No. of Complaints
Non-receipt of Annual Reports	7
Non-receipt of Dividend Warrants	16
Non-receipt of Share Certificates	1
<b>Total</b>	<b>24</b>

There were no outstanding complaints as on 31st March, 2014.

**(d) Corporate Social Responsibility Committee**

**Composition of the Committee:** The Corporate Social Responsibility Committee of the Board comprises two Non-Independent Non-Executive Directors, namely, Shri Mahesh K. Kamdar, Chairman and Shri S. C. Malhotra and two Independent Non-Executive Directors, namely Shri Chandra Raj Mehta and Shri Sandeep H. Junnarkar.

The Corporate Social Responsibility ("CSR") Committee was constituted by the Board on 29th March, 2014 considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under
- To recommend the amount of expenditure to be incurred on the CSR activities
- To monitor the implementation of the framework of the CSR Policy
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

**Meeting Details:** No Meeting of the Corporate Social Responsibility Committee was held during the year.

Shri N. Shanker, Company Secretary and Compliance Officer is the Secretary of all Board Committees.

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

The Code of Business Conduct and Ethics for Directors and Management Personnel ("the Code"), as adopted by the Board, 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 Directors and Management Personnel, and its compliance 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 for the financial year 2013-14.

Dilip V. Dherai  
Executive Director

Mumbai  
16<sup>th</sup> April, 2014

#### 8. Subsidiary Companies' 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

##### (i) Annual General Meetings

The Annual General Meetings of the Company during the preceding three years were held at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai-400 020.

The date and time of Annual General Meetings held during the preceding three years and the special resolution(s) passed thereat are as follows:

Year	Date	Time	Special Resolution passed
2012-13	28th June, 2013	11.00 a.m.	Nil
2011-12	5th July, 2012	11.00 a.m.	Nil
2010-11	30th June, 2011	11.00 a.m.	Nil

##### (ii) Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

#### 10. (a) Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large

None of the transactions with any of the related parties were in conflict with the Company's interest.

Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 22 of Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its Promoter. 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, profitability, legal requirements, liquidity and capital resources.

All related party transactions are negotiated on arms length basis, and are intended to further the Company's interests.

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

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

#### 11. Means of Communication

(a) **Quarterly results:** The Company's quarterly results are published in 'Financial Express' and 'Navshakti' and are displayed on its website ([www.riil.in](http://www.riil.in)).

(b) **Annual Report:** The 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's Discussion and Analysis (MD&A) 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)).



**(j) Share Price Data**

Month	BSE Limited (BSE) (in ₹ per share)		National Stock Exchange (NSE) (in ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April – 2013	420.00	313.00	419.90	312.90
May – 2013	429.85	362.00	429.70	362.15
June – 2013	392.70	317.50	392.90	317.25
July – 2013	375.00	305.00	374.40	304.30
August – 2013	318.85	278.30	318.30	278.15
September – 2013	334.00	281.35	333.80	281.35
October – 2013	364.00	286.45	364.00	286.20
November – 2013	378.00	331.00	378.40	330.10
December – 2013	396.00	338.25	396.40	338.40
January – 2014	393.50	321.00	393.50	320.35
February – 2014	329.95	308.00	328.50	306.25
March – 2014	405.00	312.15	403.90	313.10

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

**(k) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty as on 31st March, 2014**

	BSE (% change)		NSE (% change)	
	RIIL	Sensex	RIIL	Nifty
Financial Year 2013-14	23.56	18.85	23.87	17.98
2 years	-11.16	28.63	-10.97	26.60
3 years	-38.91	15.12	-38.87	14.92
5 years	32.92%	130.58	32.88	121.92

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

Plot No. 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081, India  
Tel. : +91 40 4465 5070 - 5099  
Toll Free No.: 1800 425 8998  
Fax : +91 40 2311 4087  
e-mail : riilnkm@karvy.com  
Website : www.karvy.com

List of Investor Service Centres of Karvy Computershare Private Limited is available on the website of the Company [www.riil.in](http://www.riil.in).

**(m) Share Transfer System**

Share transfers are processed and share certificates duly endorsed are sent within a period of three working days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's shares to the Executive Director / Company Secretary. A summary of transfer / transmission of shares of the Company so approved by the Executive Director / Company Secretary is placed at every Stakeholders Relationship Committee (earlier Shareholders'/ Investors' Grievance Committee). 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 and files a copy of the said certificate with Stock Exchanges.

**(n) Distribution of Shareholding as on 31st March, 2014**

Category Code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>			
(1)	Indian	1	68 60 064	45.43
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>1</b>	<b>68 60 064</b>	<b>45.43</b>
<b>(B)</b>	<b>Public Shareholding<sup>1</sup></b>			
(1)	Institutions	18	31 485	0.21
(2)	Non-institutions	1 01 725	82 08 451	54.36
	<b>Total Public Shareholding</b>	<b>1 01 743</b>	<b>82 39 936</b>	<b>54.57</b>
	<b>Total (A) + (B)</b>	<b>1 01 744</b>	<b>1 51 00 000</b>	<b>100.00</b>

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

**(o) Top 10 Shareholders as on 31st March, 2014**

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	Neeraj Batra	49 862	0.33
4	Jayantilal Premji Shah	36 000	0.24
5	IL and FS Securities Services Limited	34 511	0.23
6	Globe Capital Market Limited	33 899	0.22
7	Sanjay Gulabchand Bafna	30 650	0.20
8	Angel Broking Limited	27 125	0.18
9	Bonanza Portfolio Limited	26 220	0.17
10	Gangadhar Narsingdas Agrawal	25 000	0.17

**(p) Shareholding Pattern by Size as on 31st March, 2014**

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	86 834	23 66 228	15.67	4 267	4 25 938	2.82	91 101	27 92 166	18.49
2	101 - 500	8 454	19 48 592	12.90	387	1 03 200	0.68	8 841	20 51 792	13.58
3	501 - 1000	1 012	7 71 569	5.11	26	20 400	0.14	1 038	7 91 969	5.25
4	1001 - 5000	641	12 87 452	8.53	14	22 000	0.15	655	13 09 452	8.68
5	5001 - 10000	70	4 86 882	3.22	1	9 000	0.06	71	4 95 882	3.28
6	10001 - 50000	36	6 38 575	4.23	0	0	0.00	36	6 38 575	4.23
7	50001 - 100000	0	0	0.00	0	0	0.00	0	0	0.00
8	100001 & Above	2	70 20 164	46.49	0	0	0.00	2	70 20 164	46.49
	<b>Total</b>	<b>97 049</b>	<b>145 19 462</b>	<b>96.15</b>	<b>4 695</b>	<b>5 80 538</b>	<b>3.85</b>	<b>1 01 744</b>	<b>1 51 00 000</b>	<b>100.00</b>

**(q) Geographical Distribution of Shareholders as on 31st March, 2014**

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	19 449	19.12	93 47 712	61.91	1 308	1.29	17 8637	1.18	20 757	20.40	95 26 349	63.09
2	DELHI	6 093	5.99	7 44 720	4.93	266	0.26	42 500	0.28	6 359	6.25	7 87 220	5.21
3	AHMEDABAD	5 778	5.68	4 50 253	2.98	351	0.34	37 700	0.25	6 129	6.02	4 87 953	3.23
4	KOLKATA	4 472	4.40	4 31 636	2.86	145	0.14	18 200	0.12	4 617	4.54	4 49 836	2.98
5	PUNE	2 710	2.66	1 91 719	1.27	55	0.05	6 700	0.04	2 765	2.72	1 98 419	1.31
6	BENGALURU	2 431	2.39	1 56 663	1.04	113	0.11	11 701	0.08	2 544	2.50	1 68 364	1.12
7	VADODARA	2 459	2.42	1 53 086	1.01	142	0.14	15 300	0.10	2 601	2.56	1 68 386	1.11
8	CHENNAI	2 066	2.03	1 56 246	1.03	144	0.14	15 200	0.10	2 210	2.17	1 71 446	1.13
9	HYDERABAD	1 569	1.54	1 68 052	1.11	88	0.09	9 400	0.06	1 657	1.63	1 77 452	1.17
10	OTHERS	50 022	49.16	27 19 375	18.01	2 083	2.05	2 45 200	1.64	52 105	51.21	29 64 575	19.65
<b>Total</b>		<b>97 049</b>	<b>95.39</b>	<b>1 45 19 462</b>	<b>96.15</b>	<b>4 695</b>	<b>4.61</b>	<b>5 80 538</b>	<b>3.85</b>	<b>1 01 744</b>	<b>100.00</b>	<b>1 51 00 000</b>	<b>100.00</b>

**(r) Corporate Benefits to Investors****Dividend declared for the last 10 years**

Financial Year	Dividend Declaration Date	Dividend Per Share* (₹)
2012-13	28th June, 2013	3.75
2011-12	5th July, 2012	3.50
2010-11	30th June, 2011	3.50
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

\* Share of paid-up value of ₹ 10/- each.

**Note: Dividend of ₹ 3.50 per Equity Share recommended by the Board of Directors on 16th April, 2014, is subject to declaration by shareholders at the ensuing Annual General Meeting.**

**(s) Dematerialisation of Shares**

Mode of Holding	% of Share Capital
Electronic - NSDL	80.02
Electronic - CDSL	16.13
Physical	3.85
<b>Total</b>	<b>100.00</b>

96.15% of the Company's paid-up Equity Share Capital has been dematerialised upto 31st March, 2014 (96.08% up to 31st March, 2013). Trading in Equity Shares of the Company is permitted only in dematerialised form.

**(t) Liquidity**

The higher trading activity is witnessed on NSE. Relevant data for the average daily turnover for the financial year 2013-14 is given below:

	BSE	NSE	TOTAL
Shares (nos.)	1 24 405	2 96 480	4 20 885
Value (in Rs. crore)	4.52	10.74	15.26

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



**(u) 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.

**(v) Plant Locations**

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.

**(w) 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  
Telephone : +91 40 4465 5070 - 5099  
Toll Free No. : 1800 425 8998  
Fax : +91 40 2311 4087  
e-mail : riilnkm@karvy.com  
Website : www.karvy.com

**For Shares held in Demat form**

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

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

Shri N. Shanker  
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

**(x) Transfer of unpaid / unclaimed amount of dividend to Investor Education and Protection Fund**

During the year under review, the Company has credited ₹ 6.74 lakh, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) established pursuant to

Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

The cumulative amount transferred to IEPF upto 31st March, 2014 was ₹ 68.94 lakh.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th June, 2013 (date of last Annual General Meeting) on the Company's website (www.riil.in), and on the website of the Ministry of Corporate Affairs.

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

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

In terms of Clause 5A(II) of the Listing Agreement, the Company had dematerialized and transferred 1,000 equity shares of the Company issued in physical form to 6 shareholders and remaining unclaimed, to the "Reliance Industrial Infrastructure Limited – Unclaimed Suspense Account". No shareholder has approached the Company for transfer of shares from the suspense account and hence no shares were transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the Unclaimed Suspense Account as on 31st March, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

**13 Compliance Certificate of the Auditors**

Certificate from the Company's Auditors, Messrs Chaturvedi & Shah, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the 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 mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

**(a) Remuneration Committee**

The Company has constituted the Nomination and Remuneration Committee meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

**(b) Communication to Shareholders**

Half-yearly reports covering financial results were sent to members at their registered addresses.

**(c) Audit Qualification**

The Company is in the regime of unqualified financial statements.

**(d) Training of Board Members**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise 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 strategy and risk management practices involved.

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

**(e) Whistle Blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. 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 will be reviewed by the Audit Committee of Directors from time to time. The mechanism provides that the confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

**15 CEO and CFO Certification**

The Whole-time Director 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 of the Listing Agreement. The Whole-time Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Whole-time Director and the Chief Financial Officer is given below:

To,  
The Board of Directors  
Reliance Industrial Infrastructure Limited

1. We have reviewed financial statements and the cash flow statement of Reliance Industrial Infrastructure Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.  
We have not come across any reportable deficiencies in the design or operations of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

**Dilip V. Dherai**  
Executive Director

**Tapas Mitra**  
Chief Financial Officer

Mumbai  
16th April, 2014

## Secretarial Audit Report

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Industrial Infrastructure Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2014 according to the provisions of -
    - i. The Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013;
    - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
    - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
    - iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI);
    - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
      - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
      - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - vi. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited; and
  - vii. The Memorandum and Articles of Association.
2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and 98 sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated September 12, 2013 ("the Act") and the Memorandum and Articles of Association of the Company, with regard to:
    - (a) maintenance of various statutory registers and documents and making necessary entries therein;
    - (b) closure of the Register of Members;
    - (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
    - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
    - (e) notice of Board meetings and Committee meetings of Directors;
    - (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
    - (g) the 25<sup>th</sup> Annual General Meeting held on June 28, 2013;
    - (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
    - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
    - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Whole-time Director;
    - (k) payment of remuneration to Whole-time Director and sitting fees to other Directors;
    - (l) appointment and remuneration of Auditors and Cost Auditors;

- (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - (n) declaration and payment of dividends;
  - (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - (p) investment of the Company's funds including inter-corporate loans and investments and loans to others;
  - (q) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - (r) Directors' report;
  - (s) contracts, common seal, registered office and publication of name of the Company; and
  - (t) generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
  - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;
  - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
  - (d) there was no prosecution initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
  - 5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
  - 6. The Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to ODI.
  - 7. I further report that:
    - (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;
    - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
    - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
  - 8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

April 16, 2014

## Shareholders' Referencer

### AN OVERVIEW

- The Company has around 1.01 lakh shareholders holding Equity Shares in the Company as at 31st March, 2014.
- The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
- The Company's Equity Shares are under compulsory trading in demat form only.
- 96.15% of the Company's Equity Shares are held in demat form.
- Karvy Computershare Private Limited (Karvy), Hyderabad, an ISO 9002 Certified Registrars and Transfer Agents, is the Share Transfer Agent (STA) of the Company.

### INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM

- All investor service matters are being handled by Karvy, the largest Registrar in the country with a large number of Investor Service Centres across the country, who discharges investor service functions effectively, efficiently and expeditiously.
- The Company has appointed a firm of Chartered Accountants as Internal Auditors to concurrently audit the shares related transactions being handled at Karvy.
- The Company has prescribed service standards for the various investor related activities. These standards are periodically reviewed by the Company.

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

Sr. No.	Particulars	Service Standards (No. of working days)
<b>(A)</b>	<b>Registration Items</b>	
1.	Transfers	3
2.	Transmission	3
3.	Transposition	3
4.	Deletion of Name	3
5.	Folio Consolidation	3
6.	Change of Name	3
7.	Demat	3
8.	Remat	3
9.	Issue of Duplicate Certificate	15

Sr. No.	Particulars	Service Standards (No. of working days)
10.	Replacement of Certificate	3
11.	Certificate Consolidation	3
12.	Change of address	2
13.	Certificate Split	3
14.	Bank Mandate / Details	2
15.	Nomination	2
16.	Power of Attorney	2
<b>(B)</b>	<b>Correspondence</b>	
1.	Non-receipt of Annual Reports	2
2.	Non-receipt of Dividend Warrants	3
3.	Non-receipt of Share Certificate	2
4.	Non-receipt of Stickers (Change of name of the Company)	3
5.	Revalidation of Dividend Warrants	3
6.	Multiple Queries	4
7.	IEPF Letters	3

### 1. DEALING IN SECURITIES

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

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

**Trading Account:** An account opened by the broker in the name of the investor for buying and selling of securities.

**Bank Account:** A bank account opened in the name of the investor for debiting or crediting money with respect to transactions in the securities market.

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

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

- Ensure that DIS numbers are pre-printed and DP takes acknowledgement for the DIS booklet issued to the investor.

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

### 1.3 What is online trading in shares?

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

### 1.4 What precautions an online investor must take?

Investor trading online must take the following precautions:

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

### 1.5 What are the other safety measures an online client must observe?

- Avoid placing order from shared PCs / through cyber cafes.
- Log out after having finished trading to avoid misuse.
- Do not click "remember me" option while signing in from shared PCs / through cyber cafes.
- Do not leave the terminal unattended while "signed-in" on the trading system.

- Protect your personal computer against viruses by placing a firewall and an anti-virus solution.
- Do not open email attachments from people you do not know.

### 1.6 What are the do's and don'ts while dealing in securities market?

#### DO'S

- Transact only through Stock Exchanges.
- Deal only through SEBI registered intermediaries.
- Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc).
- Ask for and sign "Know Your Client Agreement".
- Read and properly understand the risks associated with investing in securities / derivatives before undertaking transactions.
- Assess the risk – return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- Ask all relevant questions and clear your doubts with your broker before transacting.
- Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- Beware of the false promises and to note that there are no guaranteed returns on investments in the Stock Market.
- Give clear and unambiguous instructions to your broker / sub-broker / DP.
- Be vigilant in your transactions.
- Insist on a contract note for your transaction.
- Verify all details in the contract note, immediately on receipt.
- Always settle dues through the normal banking channels with the market intermediaries.
- Crosscheck details of your trade with details as available on the exchange website.
- Scrutinize minutely both the transaction and the holding statements that you receive from your DP.
- Keep copies of all your investment documentation.
- Handle DIS Book issued by DP's carefully.
- Insist that the DIS numbers are pre-printed and your account number (client id) be pre-stamped.
- In case you are not transacting frequently make use of the freezing facilities provided for your demat account.
- Pay the margins required to be paid in the time prescribed.

- Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed.
- Participate and vote in general meetings either personally or through proxy.
- Be aware of your rights and responsibilities.
- In case of complaints, approach the right authorities for redressal in a timely manner.

#### **DON'TS**

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

#### **COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS**

##### **Deal with Registered Intermediaries**

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

##### **Obtain documents relating to purchase and sale of shares**

A valid Contract Note / Confirmation Memo should be obtained from the broker / sub-broker, within 24 hours of execution of purchase or sale of shares and it should be ensured that the Contract Note / Confirmation Memo contains order number, order time, trade number, trade time, share descriptions, bought and/or sold quantity, price,

brokerage, service tax and securities transaction tax. In case the investors have any doubt about the details contained in the contract note, they can avail the facility provided by BSE / NSE to verify the trades on BSE / NSE websites. It is recommended that this facility be availed in respect of a few trades on random basis, even if there is no doubt as to the authenticity of the trade / transaction.

##### **Transfer shares before Book Closure / Record Date**

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

## **2. DIVIDEND**

### **2.1 What are the modes by which the dividend is paid?**

Dividend is paid under four modes viz:

- National Electronic Clearing Services (NECS)
- National Electronic Fund Transfer (NEFT)
- Direct Credit to shareholders' account by bank
- Physical dispatch of Dividend Warrant

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

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

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

Some of the major benefits are:

- Investor need not make frequent visits to his bank for depositing the physical paper instruments.
- Prompt credit is given to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service are avoided.
- Issue of duplicate warrants is avoided as there can be no loss in transit of warrants.

### **2.4 How to avail of NECS Facility?**

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's STA. If shares are held in dematerialised form, NECS mandate has to be sent to the concerned DP directly, in the format prescribed by the DP.

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

In this regard, shareholders are requested to furnish the new bank account number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining to the concerned account:

- to the STA of the Company in case the shareholders hold shares in physical form; and
- to the concerned DP in case the shareholders hold shares in demat form.

### **2.5 Can investors opt out of NECS Facility?**

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

### **2.6 What is payment of dividend through NEFT facility and how does it operate?**

NEFT is a nation-wide payment system facilitating electronic transfer of funds from one account to another. Dividend payment through NEFT denotes payment of dividend electronically through RBI clearing to selected bank branches which have implemented Core Banking Solutions (CBS). This extends to all over the country, and is not necessarily restricted to the 91 designated centres where payment can be handled through ECS. To facilitate payment through NEFT, the shareholder is required to ensure that the bank branch where his / her account is operated, is under CBS and also records the particulars of the new bank account with the DP with whom the demat account is maintained.

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

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

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

Shareholders may write to the Company's STA, furnishing the particulars of the dividend not received, and quoting the folio number (in case of shares held in physical mode) / DP ID and Client ID particulars (in case of shares held in demat mode). On expiry of the validity

period, if the dividend warrant is still shown as unpaid in the records of the Company, duplicate warrant will be issued. The STA would request the concerned shareholder to execute an indemnity before issuing the duplicate warrant.

No duplicate warrants will be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

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

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

### **2.10 Why shares should be transferred before the Book Closure / Record Date fixed for dividend payment?**

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

### **2.11 What are the Statutory provisions governing unpaid dividend?**

As per the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF).

Further, all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF shall also be transferred by the Company in the name of IEPF.

The shareholders whose amounts and shares have been transferred to IEPF, shall be entitled to get refund of the dividend and claim the transfer of shares from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

### **2.12 Where can the status of unclaimed dividend not transferred to IEPF account be verified?**

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th June, 2013 (date of last Annual General Meeting) on the website of the Company ([www.riil.in](http://www.riil.in)), as also on the Ministry of Corporate Affairs website which can be accessed by the shareholders.



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

The status of unclaimed and unpaid dividend of the Company is captured in Chart 1 below:

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

	<b>Unclaimed Dividend up to 1993-94</b>	<b>Unclaimed Dividend for 1994-95 to 2006-2007</b>	<b>Unclaimed Dividend for 2007-08 and thereafter</b>
Transfer of unpaid dividend	Transferred to General Revenue Account of the Central Government	Transferred to Central Government's Investor Education and Protection Fund (IEPF)	Will be transferred to IEPF on due date(s)
Claims for unpaid dividend	Can be claimed from ROC, Maharashtra *	Can be claimed from IEPF	Can be claimed from the Company's STA within the time limits provided in Chart 2 given below

\* Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) upto and including 1993-94 are requested to claim such dividend from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD-Belapur, Navi Mumbai – 400 614, Telephone (091) (022) 2757 6802 and (ii) from 1994-95 to 2006-07, from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

**Chart 2: Information in respect of unclaimed and unpaid dividends declared for 2007-08 and thereafter**

<b>Financial year ended</b>	<b>Date of declaration of dividend</b>	<b>Last date for claiming unpaid dividend</b>
31.03.2008	02.07.2008	01.07.2015
31.03.2009	01.09.2009	31.08.2016
31.03.2010	04.08.2010	03.08.2017
31.03.2011	30.06.2011	29.06.2018
31.03.2012	05.07.2012	04.07.2019
31.03.2013	28.06.2013	27.06.2020

### 2.14 What are the provisions relating to Tax on Dividend and Sale of Shares?

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

- No tax is payable by shareholders on dividend. However, the Company is required to pay dividend tax @ 15% and surcharge @ 10% together with education cess @ 2% and secondary higher education cess @ 1%;
- Short Term Capital Gains (STCG) tax is payable in case the shares are sold within 12 months from the date of purchase @ 15% in case of 'individuals' together with education cess @ 2% and secondary higher education cess @ 1%; Surcharge @ 10% is payable for income exceeding ₹1 crore in the case of individuals also;
- No Long Term Capital Gains (LTCG) tax is payable on sale of shares through a recognized stock exchange, provided Securities Transaction Tax (STT) has been paid and shares are sold after 12

months from the date of purchase. In any other case, lower of the following is payable as long term capital gain tax:

- 20% of the capital gain computed after substituting 'cost of acquisition' with 'indexed cost of acquisition' together with education cess @ 2% and secondary higher education cess @ 1% in the case of 'individuals'. Surcharge @ 10% is payable for income exceeding ₹1 crore in the case of individuals also;
- 10% of the capital gain computed before substituting 'cost of acquisition' with 'indexed cost of acquisition' together with education cess @ 2% and secondary higher education cess @ 1% in the case of 'individuals'. Surcharge @ 10% is payable for income exceeding ₹1 crore in the case of individuals also.

### INITIATIVES TAKEN BY THE COMPANY

#### Reminder letters to Investors

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

#### COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

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

Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company's STA and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This

would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solutions (CBS) to the Company's STA in case of shares held in physical form and to the DP in case of shares held in demat form.

### **3. DEMATERIALISATION / REMATERIALISATION OF SHARES**

#### **3.1 What is Dematerialisation of shares?**

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

#### **3.2 Why dematerialise shares? Is Trading Compulsory in Demat Form?**

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

#### **3.3 What are the benefits of Dematerialisation?**

- Elimination of bad deliveries.
- Elimination of all risks associated with physical certificates.
- No stamp duty on transfers.
- Immediate transfer / trading of shares.
- Faster settlement cycle.
- Faster disbursement of non cash corporate benefits like rights, bonus, etc.
- SMS alert facility.
- Lower brokerage is charged by many brokers for trading in dematerialised shares.
- Periodic status reports and information available on internet.
- Ease related to change of address of investor.
- Elimination of problems related to transmission of demat shares.
- Ease in portfolio monitoring.
- Ease in pledging the shares.

#### **3.4 What is the procedure for dematerialisation of shares?**

- Shareholders should submit the duly filled in Demat Request Form (DRF) along with physical certificate(s) to the concerned DP.
- DP intimates the relevant Depository of such requests through the system.
- DP submits the DRF and the Certificate(s) to the Company's STA.

- The Company's STA confirms the dematerialisation request from Depository.
- The Company's STA, after dematerialising the certificate(s), updates accounts and informs concerned depository regarding completion of dematerialisation.
- Depository updates its accounts and informs the DP.
- DP updates the demat account of the shareholder.
- The entire process should be completed within 21 days.

#### **3.5 Can shares held jointly in physical form be dematerialised, if the sequence of names mentioned in certificate differs from sequence of names as per beneficiary account?**

Depositories provide "Transposition cum Demat Facility" to help joint holders to dematerialise shares in different sequence of names. For this purpose, DRF and Transposition Form should be submitted to the DP.

#### **3.6 What is SMS alert facility?**

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

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

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

#### **3.8 What is rematerialisation of shares?**

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

#### **3.9 What is the procedure for rematerialisation of shares?**

- Shareholders should submit the duly filled in Rematerialisation Request Form (RRF) to the concerned DP.
- DP intimates the relevant Depository of such requests.
- DP submits RRF to the Company's STA.

- Depository confirms rematerialisation request to the Company's STA.
- The Company's STA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialised.
- Share certificate(s) is despatched to the shareholder by Company's STA.

## COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

### Open Demat Account and Dematerialise your shares

Investors should convert their physical holdings of shares into demat holdings to reap the benefits of dematerialisation set out under para 3.3 of this referencer.

### Monitor holdings regularly

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

### Register for SMS alert facility

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

## 4. NOMINATION FACILITY

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

Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. This facility is mainly useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of death of all joint holders.

### 4.2 What is the procedure of appointing a nominee?

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination as per Companies Act, 2013 to the Company's STA.

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

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

Individual shareholders holding the shares in single name or joint names can appoint a nominee. In case of joint holding, joint holders together have to appoint the nominee. An individual having capacity to contract only can be appointed as a nominee. Minor(s) can, however, be appointed as a nominee.

### 4.4 Can a nomination once made be revoked / varied?

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

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

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

### 4.6 Is nomination form required to be witnessed?

A nomination form must be witnessed.

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

The nominee is entitled to all the rights of the deceased shareholder to the exclusion of all other persons. In the event of death of the shareholder, all the rights of the shareholder shall vest in the nominee. In case of joint holding, all the rights shall vest in the nominee only in the event of death of all the joint holders. The nominee is required to apply to the Company or to the DP as may be applicable by reporting death of the nominator along with the attested copy of the death certificate.

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

As per the provisions of Section 72 of the Companies Act, 2013 and as held by Hon'ble Delhi and Bombay High Courts, the securities would vest on the nominee upon the death of the registered holder notwithstanding the rights of the legal heirs of the deceased.

## COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

### Submit Nomination Form

Investors should register their nominations in case of physical shares with the Company's STA and in case of

dematerialised shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed in order to be effective.

## **5. TRANSFER / TRANSMISSION / TRANSPOSITION / DUPLICATE CERTIFICATES ETC.**

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

Transferee(s) need to send share certificate(s) along with share transfer deed in the prescribed Form SH-4 as per Companies Act, 2013, duly filled in, executed and share transfer stamps affixed, to the Company's STA. It takes about 3 working days for the Company's STA to process the transfer from the date of lodgement, although the statutory time limit fixed for completing a transfer is 15 days under the Listing Agreement and one month under the Companies Act, 2013.

### **5.2 Is submission of Permanent Account Number (PAN) mandatory for transfer / transmission / transposition of shares in physical form?**

SEBI has made it mandatory to furnish a copy of the PAN to the Company / STA in the following cases, viz., (a) for securities market transactions and off-market transactions involving transfer of shares in physical form; (b) Deletion of name of the deceased holder(s), where the shares are held in the name of two or more shareholders; (c) Transmission of shares to legal heir(s), where deceased shareholder was the sole holder of the shares; and (d) Transposition of shares – where there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

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

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

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

Yes, conversion of single holding into joint holdings or joint holdings into single holding or transfer within

the family members leads to a change in the pattern of ownership, and therefore, the procedure for a normal transfer as mentioned above needs to be followed.

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

The procedure for registration of shares gifted (held in physical form) is same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @ 25 paise for every ₹ 100 or part thereof, of the market value of the shares prevailing as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher. In case the shares held in demat form are gifted no stamp duty is payable.

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

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

### **5.7 What is the procedure for getting physical shares in the name of legal heir(s), in case of single holding and nomination is not registered, in the event of death of sole shareholder?**

If the value of shares of the company as on the date of application is up to ₹ 2,00,000, the legal heir(s) should submit the following documents along with a request letter, transmission form, attested copy of the death certificate of the deceased shareholder and the share certificate(s) in original, to the Company's STA for transmission of the shares in his / their name(s):

- No objection certificate [NOC] from all legal heir(s) who do not object to such transmission (or) copy of Family Settlement Deed duly notarized or attested by a Gazetted Officer and executed by all the legal heirs of the deceased holder.
- Indemnity made on appropriate non judicial stamp paper – indemnifying the STA/Company.

If the value of shares of the company as on the date of application is more than ₹ 2,00,000, the legal heir(s) should submit the following documents along with a request letter, transmission form, attested copy of the death certificate of the deceased shareholder and the share certificate(s) in original, to the Company's STA for transmission of the shares in his / their name(s):

- Succession certificate (or) Probate of will (or) Letter of Administration (or) Court decree.

**5.8 What is the procedure for getting demat shares in the name of legal heir(s), in case of single holding and nomination is not registered, in the event of death of sole shareholder?**

If the value of shares of the company as on the date of application is up to ₹ 5,00,000, the legal heir(s) should submit the following documents to the DP:

- Notarized copy of the death certificate
- Transmission Request Form (TRF)
- Affidavit – to the effect of the claim of legal ownership to the shares
- Deed of indemnity – Indemnifying the depository and Depository Participants (DP)
- NOC from legal heir(s), if applicable or family settlement deed duly executed by all legal heirs of the deceased beneficial owner

If the value of shares of the company as on the date of application is more than ₹5,00,000, the legal heir(s) should additionally submit one of the following documents to the DP:

- Surety form
- Succession certificate
- Probated will
- Letter of Administration

**Note:**

**As per SEBI Circular dated October 28, 2013, the timeline for processing the transmission requests by the DP for securities held in dematerialised mode shall be 7 days and by the Company/STA for the securities held in physical mode shall be 21 days, after receipt of the prescribed documents from the claimants/legal heirs.**

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

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

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

Shareholders who have lost / misplaced share certificate(s) should inform the Company's STA, immediately about loss of share certificate(s), quoting

their folio number and details of share certificate(s), if available.

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

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

**5.11 What is the procedure to get the share certificates issued in various denominations consolidated into a single certificate?**

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

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

**COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS**

**Consolidate Multiple Folios**

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

**Opt for Corporate Benefits in Electronic Form**

In case of non cash corporate benefits like split of shares / bonus shares, the holders of shares in physical form must opt to get the shares in electronic form by providing the details of demat account to the STA.

**Exercise caution**

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

**Mode of Postage**

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

## 6. UNCLAIMED SHARES

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

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

- As per Clause 5A(I), shares issued in dematerialised form pursuant to a public issue or any other issue, which remain unclaimed and are lying in the escrow account, shall be credited to unclaimed shares suspense account in demat form opened by the Company with one of the depository participants, for this purpose.
- As per Clause 5A(II), shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed, the Company, after complying with the procedure prescribed therein, shall transfer all such unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and shall dematerialise such shares with one of the depository participants.

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

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

In terms of Clause 5A(II) of the Listing Agreement, details relating to unclaimed shares such as the aggregate number of shareholders along with the number of unclaimed shares lying in the suspense account at the beginning of the year, number of shareholders who had approached the Company claiming the unclaimed shares were transferred from the suspense account during the year and the aggregate number of shareholders along with number of unclaimed shares lying in the suspense account at the end of the year, are published in the Corporate Governance Report.

As per Section 124(6) of the Companies Act, 2013, all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF shall also be transferred by the company in the name of IEPF. However, the shares can be claimed by the investor after following the prescribed procedure under the Companies Act, 2013.

## INVESTOR SERVICING AND GRIEVANCE REDRESSAL - EXTERNAL AGENCIES

### 1. Ministry of Corporate Affairs

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

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

### 2. Securities and Exchange Board of India (SEBI)

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

### 3. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints. Online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

All companies against whom complaints are pending on SCORES, will have to take necessary steps within 4 days of receipt of complaint through SCORES and resolve the complaint within 30 days of receipt of complaint and also keep the complainant duly informed of the action taken.

SEBI has issued guidance to general public about effective ways to redress their grievances. The guidance lists down the matters which are considered as complaints and handled by SEBI, the matters which are not considered as complaints, how the investor complaints' are handled by SEBI, the arbitration mechanism, etc.

### 4. Stock Exchanges

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

BSE Limited (BSE) – BSE provides an opportunity to the investors to file their complaints electronically through its website [www.bseindia.com](http://www.bseindia.com) under the section "Investor Grievances".

### 5. Depositories

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

Central Depository Services (India) Limited (CDSL) – Investors who wish to seek general information on depository services may mail their queries to [investors@cDSLindia.com](mailto:investors@cDSLindia.com). With respect to the complaints /

grievances of the demat account holders relating to the services of the DP, mails may be addressed to complaints@cdslindia.com.

## **MISCELLANEOUS**

### **Change of address**

#### **What is the procedure to get change of address registered in the Company's records?**

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

### **Change of name**

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

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

### **Authority to another person to deal with shares**

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

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

### **Permanent Account Number (PAN)**

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

### **Insider Trading**

In order to prohibit insider trading and protect the rights of innocent investors, SEBI has enacted the SEBI (Prohibition of Insider Trading) Regulations, 1992. As per Regulation 13

of the said Regulations, initial and continual disclosures are required to be made by investors as under:

#### **Initial Disclosure**

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

#### **Continual Disclosure**

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

#### **Takeover Regulations**

SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 cast obligation on the investor (acquirer) to make disclosure with respect to acquisition and disposal of shares. The relevant provisions as contained in the Regulations 29 (1), (2) and (3) are given below:

#### **Disclosure of acquisition**

Any acquirer who acquires shares (including convertible securities) or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, should disclose their aggregate shareholding and voting rights in such target company, to target company and Stock Exchanges within 2 working days of the receipt of intimation of the allotment / acquisition, as the case may be.

#### **Disclosure, in case of change in holding**

Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, should disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made; and such change exceeds two per cent of total shareholding or voting rights in such target company, to target company and Stock Exchanges within 2 working days of such change.

#### **E-voting**

To widen the participation of shareholders in company decisions, the Securities and Exchange Board of India (SEBI)

has directed top 500 listed companies to provide e-voting facility to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot.

Further, the Companies Act, 2013 and Clause 35B of the Listing Agreement also requires a listed company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings.

#### **Register e-mail address**

To contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors are requested to register their e-mail addresses with STA, if shares are held in physical mode or with their DP, if the holding is in electronic mode.

#### **Intimate mobile number**

Intimate your mobile number and changes therein if any to STA, if shares are held in physical mode or to your DP if the holding is in electronic mode, to receive communications on corporate actions and other information of the Company.

#### **SHAREHOLDERS' GENERAL RIGHTS**

- To receive not less than 21 clear days notice of general meetings.
- To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 2013 and the relevant Rules issued thereunder.
- To receive copies of Balance Sheet and Statement of Profit and Loss along with all annexures / attachments (Generally known as Annual Report) not less than 21 days before the date of the Annual General Meeting.
- To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive dividends and other corporate benefits like bonus, rights etc. once approved.
- To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 2013.

- To inspect statutory registers and documents as permitted under law.
- To require the Board of Directors to call an extraordinary general meeting in accordance with the provisions of the Companies Act, 2013.

#### **DUTIES / RESPONSIBILITIES OF INVESTORS**

- To remain abreast of corporate developments, company specific information and take informed investment decision(s).
- To be aware of relevant statutory provisions and ensure effective compliance therewith.
- To deal with only SEBI registered intermediaries while dealing in the securities.
- Not to indulge in fraudulent and unfair trading in shares nor to act upon any unpublished price sensitive information.
- To participate effectively in the proceedings of shareholders' meetings.
- To contribute to the Greener Environment and accordingly register email addresses to enable the Company to send all documents / notices including Annual Reports electronically.
- To register nominations, which would help the nominees to get the shares transmitted in their favour without any hassles.
- To respond to communications seeking shareholders' approval through Postal Ballot.
- To respond to communications of SEBI / Depository / DP / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

#### **NOTE:**

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



## Directors' Report

Dear Members,

Your Directors are pleased to present the 26th Annual Report and the Company's audited accounts for the financial year ended 31st March, 2014.

### Financial Results

The Company's financial performance, for the year ended 31st March, 2014 is summarised below:

	(₹ in Crore)	
	2013-2014	2012-2013
<b>Profit before Tax</b>	<b>33.60</b>	35.39
Less:		
– Current Tax	<b>6.34</b>	7.10
– Deferred Tax	<b>3.12</b>	3.91
<b>Profit for the year</b>	<b>24.14</b>	24.38
Add : Balance in Profit and Loss Account	<b>10.66</b>	12.91
	<b>34.80</b>	37.29
<b>Less: Appropriations:</b>		
Transferred to General Reserve	<b>10.00</b>	20.00
Proposed Dividend on Equity Shares	<b>5.28</b>	5.66
Tax on Dividend	<b>0.90</b>	0.97
Closing Balance	<b>18.62</b>	10.66

### Dividend

Your Directors have recommended a dividend of ₹ 3.50 per equity share (last year ₹ 3.75 per equity share including a special dividend of ₹ 0.25 per equity share to mark the 25th year of the Company) for the financial year ended 31st March, 2014, amounting to ₹ 6.18 crore (inclusive of tax of ₹ 0.90 crore). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on 27th May, 2014; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

### Management's Discussion and Analysis Report

#### Financial and Operational Review

The Company's revenue from operations for the year increased by 5.7% to ₹ 84.83 crore for the financial year 2013-14, as compared to ₹ 80.27 crore in the previous year.

The Company continued its focus on core business activity in the infrastructure sector. The key revenue streams for the Company include deployment of construction equipment, product transportation through pipelines and other infrastructure support services.

The Company's net profit for the year was marginally lower at ₹ 24.14 crore as compared to ₹ 24.38 crore in the previous year.

Earnings per share was ₹ 15.99 as compared to ₹ 16.15 in the previous year.

### Resources and Liquidity

The Company's net worth as on 31st March, 2014 stood at ₹ 249.65 crore, with accumulated reserves and surplus of ₹ 234.55 crore. The Company continues to maintain its conservative financial profile and funds its requirements largely through internal cash generation.

### Industry Developments

Inadequate infrastructure has been recognised as a major constraint for economic growth in India. Therefore, Government Plans have emphasized the need for increased investment in infrastructure. Substantial progress has been made in this respect. This planned investment, if realized, can propel the country's economic growth to a higher trajectory.

### Sector Opportunities

Given the rising demand anticipated in the Twelfth Plan period, the infrastructure sector requires attention, particularly in the energy and transport sectors. The renewed thrust by the Government on reviving economic growth also augurs well for the sector.

### Outlook

The Company will continue to keep its focus in the infrastructure sector. The Company's operations are likely to benefit from revival in the economic environment.

### Challenges, Risks and Concerns

There are several impediments for accelerated development of infrastructure in India. Key issues are financing, want of regulatory clarity, land acquisition and efficient pricing of infrastructure.

Government policies that could lead to streamlining of procedures and protection of interests of stakeholders would be critical for infrastructure development which would accelerate economic growth.

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

### Internal Controls

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

- providing assurance regarding the effectiveness and efficiency of operations;
- efficient use and safeguarding of resources;

- compliance with policies, procedures and applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

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

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

#### **Human Resource Development**

The Company has a team of able and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees. It employs 108 persons and provides personal development opportunities and all round exposure to them.

#### **Corporate Social Responsibility Committee**

During the year, your directors have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Shri Mahesh K. Kamdar as the Chairman and Shri C. R. Mehta, Shri Sandeep H. Junnarkar and Shri S. C. Malhotra as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

#### **Directors**

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Directors' Responsibility Statement**

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

- i. in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the annual accounts of the Company on a "going concern" basis.

#### **Auditors and Auditors' Report**

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

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

#### **Cost Auditor**

The Company has appointed Messrs V. Kumar & Associates, Cost Accountants, to conduct audit of its cost accounting records relating to its activity of transporting petroleum products through its pipelines for the financial year 2013-14.

#### **Secretarial Audit Report**

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Dr. K. R. Chandratre, Practising Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended 31st March, 2014, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, the 98 sections of the Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated 12th September, 2013, the Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, the Foreign Exchange Management Act, 1999 to the extent applicable to Overseas Direct Investment (ODI), all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Equity Listing Agreements with the Stock Exchanges and the Memorandum and Articles of Association of the Company.

#### **Particulars of Employees**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employee are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

#### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

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

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

Earnings	-	Nil
Outgo	-	₹ 1175.64 lakh

#### **Transfer of amounts to Investor Education and Protection Fund**

Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been

transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th June, 2013 (date of last Annual General Meeting) on the Company's website ([www.riil.in](http://www.riil.in)), as also on the Ministry of Corporate Affairs' website.

#### **Corporate Governance**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

#### **Acknowledgement**

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

Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all levels.

For and on behalf of the Board of Directors

**Mahesh K. Kamdar**  
Chairman

Mumbai,  
16th April, 2014

## Auditors' Certificate on Corporate Governance

---

To the Members,  
**Reliance Industrial Infrastructure Limited**

We have examined the compliance of conditions of Corporate Governance by Reliance Industrial Infrastructure Limited, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

**Amit Chaturvedi**  
**Partner**  
Membership No. 103141

**Mumbai**  
16th April, 2014

## Independent Auditors' Report

### TO THE MEMBERS OF RELIANCE INDUSTRIAL INFRASTRUCTURE LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Reliance Industrial Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of sections 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in

the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**Amit Chaturvedi**  
Partner  
Membership No.: 103141

Place : Mumbai  
Date : 16<sup>th</sup> April, 2014

## Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date

1. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
  - b. As explained to us, the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
  - a. The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
  - a. The Company has not given any new loan during the year. However, the Company had granted loan in the past to a party and the maximum amount outstanding at any time during the year is ₹ 76,00 lakh and the year-end balance is ₹ Nil.
  - b. In our opinion and according to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loan given by the Company are not prima facie prejudicial to the interest of the Company.
  - c. In respect of loan given by the Company, the receipt of principal and interest are regular.
  - d. In respect of said loan and interest thereon, there are no overdue amounts.
  - e. The Company has not taken any loan during the year from the companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iii) (f) and clause (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause (v) of paragraph 4 of the Order are not applicable to the Company.
6. The Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of Statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable. Amounts due and

## Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- outstanding for a period exceeding six months as at 31st March, 2014 to be credited to Investor Education and Protection Fund of ₹ 2.17 lakh, which are held in abeyance due to pending legal cases, have not been considered.
- b. According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of any dispute, which have not been deposited.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The Company has not raised loans from Financial Institutions or Banks or by issue of debentures and hence provision of Clause (xi) of paragraph 4 of the Order requiring comment on repayment of the dues is not applicable to the company.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial Institutions during the year. Therefore, the provisions of clause (xv) of paragraph 4 of the Order are not applicable to the Company.
16. The Company has not raised any term loan during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any monies by way of issue of debentures during the year. Therefore, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

**Amit Chaturvedi**  
Partner  
Membership No.: 103141

Place : Mumbai  
Date : 16<sup>th</sup> April, 2014

## Reliance Industrial Infrastructure Limited Balance Sheet as at 31st March, 2014

	Note	As at		(₹ in lakh)
		31st March, 2014	31st March, 2013	As at
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	15 10.00	15 10.00	
Reserves and Surplus	2	<u>234 55.21</u>	<u>216 86.56</u>	
		249 65.21		231 96.56
<b>Non - Current Liabilities</b>				
Deferred Tax Liability (net)	3	<u>29 31.30</u>	<u>26 19.17</u>	
		29 31.30		26 19.17
<b>Current Liabilities</b>				
Trade Payables	4	16 19.23	12 55.03	
Other Current Liabilities	5	10 38.14	23 20.81	
Short Term Provisions	6	<u>7 34.77</u>	<u>7 83.77</u>	
<b>TOTAL</b>		<u>33 92.14</u>	<u>43 59.61</u>	
		<u>312 88.65</u>	<u>301 75.34</u>	
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	7	75 61.75	52 81.86	
Intangible Assets	7	46 56.23	42 37.14	
Capital Work-In-Progress	7	3 05.37	9 12.94	
Non-Current Investments	8	87 17.43	6 77.37	
Long Term Loans and Advances	9	<u>25 84.28</u>	<u>113 73.43</u>	
		238 25.06		224 82.74
<b>Current Assets</b>				
Current Investments	10	33 10.00	28 75.00	
Inventories	11	1 04.29	1 12.61	
Trade Receivables	12	18 11.40	19 39.72	
Cash and Bank Balances	13	1 03.11	2 69.49	
Short Term Loans and Advances	14	<u>21 34.79</u>	<u>24 95.78</u>	
		74 63.59		76 92.60
<b>TOTAL</b>		<u>312 88.65</u>	<u>301 75.34</u>	

Significant Accounting Policies  
Notes on Financial Statements

1 to 26

As Per our Report of even date  
For **Chaturvedi & Shah**

**Amit Chaturvedi**  
Partner

Mumbai  
Dated : 16<sup>th</sup> April, 2014

As Per our Report of even date

**Mahesh Kamdar** - Chairman  
**Chandra Raj Mehta**  
**Sandeep H. Junnarkar** } Directors  
**S.C.Malhotra**  
**Dilip V. Dherai** - Executive Director  
**N.Shanker** - Company Secretary  
**Tapas Mitra** - Chief Financial Officer



## Reliance Industrial Infrastructure Limited Statement of Profit and Loss for the year ended 31st March, 2014

	Note	2013 - 14	2012 - 13
(₹ in lakh)			
<b>INCOME:</b>			
Revenue from Operations	15	<b>84 83.20</b>	80 26.51
Other Income	16	<b>7 11.55</b>	8 95.38
<b>Total Revenue</b>		<b>91 94.75</b>	89 21.89
<b>EXPENDITURE:</b>			
Employee Benefits Expense	17	<b>14 11.61</b>	13 19.60
Depreciation and Amortisation Expense	18	<b>10 23.92</b>	10 15.11
Other Expenses	19	<b>33 99.17</b>	30 48.02
<b>Total Expenses</b>		<b>58 34.70</b>	53 82.73
Profit before tax		<b>33 60.05</b>	35 39.16
<b>Tax Expenses</b>			
Current tax		<b>6 33.94</b>	7 10.00
Deferred tax		<b>3 12.13</b>	3 91.12
<b>Profit for the year</b>		<b>24 13.98</b>	24 38.04
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic and Diluted (in ₹)	20	15.99	16.15
Significant Accounting Policies Notes on Financial Statements	1 to 26		

As Per our Report of even date  
For **Chaturvedi & Shah**

**Amit Chaturvedi**  
Partner

Mumbai  
Dated : 16<sup>th</sup> April, 2014

As Per our Report of even date

**Mahesh Kamdar** - Chairman  
**Chandra Raj Mehta**  
**Sandeep H. Junnarkar** } Directors  
**S.C.Malhotra**  
**Dilip V. Dherai** - Executive Director  
**N.Shanker** - Company Secretary  
**Tapas Mitra** - Chief Financial Officer

## Reliance Industrial Infrastructure Limited Cash Flow Statement for the year 2013-14

	2013 - 14	2012 - 13
(₹ in lakh)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per Statement of Profit and Loss	33 60.05	35 39.16
Adjusted for:		
Loss on Sale of Fixed Assets (net)	3.24	3 09.17
Net Gain on Sale of Current Investments	(2 92.89)	(1 93.85)
Depreciation and Amortisation Expense	10 50.93	10 49.14
Transferred from Revaluation Reserve	( 27.01)	( 34.03)
Dividend Income	(3 56.58)	( 15.84)
Interest Income	( 56.44)	(6 84.23)
	<u>3 21.25</u>	<u>4 30.36</u>
<b>Operating Profit before Working Capital Changes</b>	<b>36 81.30</b>	<b>39 69.52</b>
Adjusted for:		
Trade and Other Receivables	8 91.73	45.88
Inventories	8.32	( 42.03)
Trade and Other Payables	(9 23.31)	(18 33.17)
	<u>( 23.26)</u>	<u>(18 29.32)</u>
<b>Cash Generated from Operations</b>	<b>36 58.04</b>	<b>21 40.20</b>
Taxes paid (net)	(4 66.03)	(7 65.64)
<b>Net Cash from Operating Activities</b>	<b>31 92.01</b>	<b>13 74.56</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(31 46.30)	(17 82.23)
Sale of Fixed Assets	0.72	2 20.05
Purchase of Investments	(212 33.15)	(160 85.00)
Sale/Redemption of Investments	130 50.98	162 78.85
Loan refund	76 00.00	-
Dividend Income	3 56.58	15.84
Interest / Other Income	6 75.26	6 18.82
<b>Net Cash (used in) Investing Activities</b>	<b>(26 95.91)</b>	<b>(7 33.67)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividends Paid (including dividend distribution tax)	(6 62.48)	(6 14.24)
<b>Net Cash (used in) Financing Activities</b>	<b>(6 62.48)</b>	<b>(6 14.24)</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>(1 66.38)</b>	<b>26.65</b>
Opening Balance of Cash and Cash Equivalents	2 69.49	2 42.84
Closing Balance of Cash and Cash Equivalents	1 03.11	2 69.49
(Refer Note No. 13)		

As Per our Report of even date  
For **Chaturvedi & Shah**

**Amit Chaturvedi**  
Partner

Mumbai  
Dated : 16<sup>th</sup> April, 2014

As Per our Report of even date

**Mahesh Kamdar** - Chairman  
**Chandra Raj Mehta**  
**Sandeep H. Junnarkar** } Directors  
**S.C.Malhotra**  
**Dilip V. Dherai** - Executive Director  
**N.Shanker** - Company Secretary  
**Tapas Mitra** - Chief Financial Officer

## Significant Accounting Policies

### A BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

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

### B USE OF ESTIMATES :

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

### C OWN FIXED ASSETS :

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

### D LEASED ASSETS :

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

### E DEPRECIATION AND AMORTISATION :

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

- (i) on plant and machinery comprising of transport facilities and monitoring systems (for petrochemical products and for raw water) and on old construction machinery, depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) on revalued assets, depreciation has been provided on written down value method and charged over the residual life of the assets,
- (iii) the cost of leasehold land is amortised over the period of lease,
- (iv) cost of pipeline corridor structure is amortised over the residual life of the asset.
- (v) Intangible assets comprising of Software are amortised over the period of 10 years.

### F IMPAIRMENT OF ASSETS :

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

## Significant Accounting Policies

### G FOREIGN CURRENCY TRANSACTIONS :

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

### H INVESTMENTS :

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

### I INVENTORIES :

Inventories are measured at lower of cost or net realisable value. Cost is determined on weighted average basis.

### J EMPLOYEE BENEFITS :

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

### K BORROWING COST :

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

### L PROVISION FOR CURRENT TAX AND DEFERRED TAX :

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

### M PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

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

## Notes on Financial Statements for the Year ended 31st March, 2014

The previous year's figures have been regrouped /reclassified, wherever necessary to conform to the current year presentation.

### 1. SHARE CAPITAL

	(₹ in lakh)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised Share Capital :</b>		
20 00 00 000 Equity Shares of ₹ 10 each (20 00 00 000)	200 00.00	200 00.00
	200 00.00	200 00.00
<b>Issued, Subscribed and Paid up:</b>		
1 51 00 000 Equity Shares of ₹ 10 each fully paid up (1 51 00 000)	15 10.00	15 10.00
<b>TOTAL</b>	15 10.00	15 10.00

#### 1.1 The details of Shareholder holding more than 5% shares :

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited	6,860,064	45.43	6,860,064	45.43

#### 1.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2014	As at 31st March, 2013
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	15,100,000	15,100,000
Add : Shares Issued during the year	-	-
Equity Shares at the end of the year	15,100,000	15,100,000

## Notes on Financial Statements for the Year ended 31st March, 2014

### 2. RESERVES AND SURPLUS

	(₹ in lakh)			
	As at		As at	
	31st March, 2014		31st March, 2013	
<b>Revaluation Reserve</b>				
As per last Balance Sheet	17 07.29		17 41.32	
Less: Transferred to Profit and Loss Account (Refer Note No. 7.2)	27.01	16 80.28	34.03	17 07.29
<b>Capital Reserve</b>				
As per last Balance Sheet		29 52.96		29 52.96
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		9 60.00		9 60.00
<b>General Reserve*</b>				
As per last Balance Sheet	150 00.00		130 00.00	
Add: Transferred from Profit and Loss Account	10 00.00	160 00.00	20 00.00	150 00.00
<b>Profit and Loss Account</b>				
As per last Balance Sheet	10 66.31		12 90.75	
Add: Profit for the year	24 13.98		24 38.04	
	34 80.29		37 28.79	
<b>Less : Appropriation</b>				
Transferred to General Reserve	10 00.00		20 00.00	
Proposed Dividend on Equity Shares	5 28.50		5 66.25	
Tax on Dividend	89.82	18 61.97	96.23	10 66.31
<b>TOTAL</b>		<b>234 55.21</b>		<b>216 86.56</b>

\* Cumulative amount withdrawn on account of Depreciation on Revaluation is ₹ 1576.59 Lakh (Previous Year ₹ 1576.59 Lakh).

### 3. DEFERRED TAX LIABILITY (NET)

	(₹ in lakh)			
	As at		As at	
	31st March, 2014		31st March, 2013	
<b>Deferred Tax Liability</b>				
Related to fixed assets		29 72.82		26 77.19
<b>Deferred Tax Assets</b>				
Provision for Doubtful Debts		2.98		2.98
Disallowances under the Income Tax Act, 1961		38.54		55.04
<b>TOTAL</b>		<b>29 31.30</b>		<b>26 19.17</b>

## Notes on Financial Statements for the Year ended 31st March, 2014

### 4. TRADE PAYABLES

	(₹ in lakh)	
	As at	As at
	31st March, 2014	31st March, 2013
Micro, Small and Medium Enterprises	86.23	10.00
Others	15 33.00	12 45.03
<b>TOTAL</b>	<b>16 19.23</b>	<b>12 55.03</b>

- 4.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

	(₹ in lakh)	
	As at	As at
Particular	31st March, 2014	31st March, 2013
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid Interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### 5. OTHER CURRENT LIABILITIES

	(₹ in lakh)	
	As at	As at
	31st March, 2014	31st March, 2013
Unclaimed Dividend <sup>#</sup>	79.16	78.89
Creditors for Capital Expenditure	8 69.78	20 87.41
Others*	89.20	1 54.51
<b>TOTAL</b>	<b>10 38.14</b>	<b>23 20.81</b>

# The figures do not include any amount, due and outstanding to be credited to Investor Education and Protection Fund, except ₹ 2.17 lakh (Previous year ₹ 1.48 lakh) which is held in abeyance due to legal cases pending.

\*Others includes Statutory Liabilities.

### 6. SHORT TERM PROVISIONS

	(₹ in lakh)	
	As at	As at
	31st March, 2014	31st March, 2013
Provisions for employee benefits (Refer Note 17.1)	1 15.87	1 20.60
Proposed Dividend *	5 28.50	5 66.25
Tax on Dividend	89.82	96.23
Provision for Wealth Tax	0.58	0.69
<b>TOTAL</b>	<b>7 34.77</b>	<b>7 83.77</b>

\*Proposed dividend ₹ 3.50 per share (Previous Year ₹ 3.75 per share)

## Notes on Financial Statements for the Year ended 31st March, 2014

### 7. FIXED ASSETS

(₹ in lakh)

Description	Gross Block			Depreciation/Amortisation			Net Block			
	As at 01-04-2013	Additions	Deductions/ Adjustments	As at 31-03-2014	As at 01-04-2013	For the Year	Deductions / Adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>Tangible Assets</b>										
Leasehold Land	2 06.17	-	-	<b>2 06.17</b>	40.12	14.44	-	<b>54.56</b>	<b>1 51.61</b>	1 66.05
Freehold Land	42.62	-	-	<b>42.62</b>	-	-	-	-	<b>42.62</b>	42.62
Buildings	2 32.27	-	-	<b>2 32.27</b>	1 51.36	7.59	-	<b>1 58.95</b>	<b>73.32</b>	80.91
Plant and Machinery	1 72 97.58	28 05.44	-	<b>2 01 03.02</b>	1 64 50.51	1 71.03	-	<b>1 66 21.54</b>	<b>3 4 81.48</b>	8 47.07
Construction Machinery	1 05 80.12	4.78	-	<b>1 05 84.90</b>	65 60.14*	3 23.58	-	<b>68 83.72</b>	<b>3 7 01.18</b>	40 19.98
Equipments	70.12	-	-	<b>70.12</b>	60.58	1.62	-	<b>62.20</b>	<b>7.92</b>	9.54
Furniture and Fixtures	50.36	-	-	<b>50.36</b>	46.65	0.87	-	<b>47.52</b>	<b>2.84</b>	3.71
Vehicles	1 74.79	8.04	8.26	<b>1 74.57</b>	62.81	15.28	4.30	<b>73.79</b>	<b>1 00.78</b>	1 11.98
<b>Sub-Total</b>	<b>2 86 54.03</b>	<b>2 8 18.26</b>	<b>8.26</b>	<b>3 14 64.03</b>	<b>2 33 72.17</b>	<b>5 34.41</b>	<b>4.30</b>	<b>2 39 02.28</b>	<b>7 5 61.75</b>	<b>5 2 81.86</b>
<b>Intangible Assets</b>										
Software	46 28.22	9 35.61	-	<b>5 5 63.83</b>	3 91.08	5 16.52	-	<b>9 07.60</b>	<b>4 6 56.23</b>	4 2 37.14
<b>Sub-Total</b>	<b>4 6 28.22</b>	<b>9 35.61</b>	<b>-</b>	<b>5 5 63.83</b>	<b>3 91.08</b>	<b>5 16.52</b>	<b>-</b>	<b>9 07.60</b>	<b>4 6 56.23</b>	<b>4 2 37.14</b>
<b>TOTAL</b>	<b>3 32 82.25</b>	<b>3 7 53.87</b>	<b>8.26</b>	<b>3 7 0 27.86</b>	<b>2 3 7 63.25</b>	<b>1 0 5 0.93</b>	<b>4.30</b>	<b>2 4 8 09.88</b>	<b>1 2 2 17.98</b>	<b>9 5 19.00</b>
Previous Year	3 3 3 72.51	8 6 9.29	9 59.55	3 3 2 82.25	2 3 1 44.65	1 0 4 9.13	4 3 0.53	2 3 7 63.25	9 5 19.00	
Capital Work in Progress									<b>3 0 5.37</b>	9 1 2.94

**7.1** Leasehold Land includes ₹ 23.44 lakh (Previous Year ₹ 23.44 lakh) in respect of which lease deed is pending execution.

**7.2** Gross Block includes ₹ 5300.88 lakh being the amount added on revaluation of Plant and Machinery as at 01.04.1997. Consequent to the said revaluation there is an additional charge of depreciation of ₹ 27.01 lakh (Previous Year ₹ 34.03 lakh) and an equivalent amount has been withdrawn from Revaluation Reserve.

\* includes provision for loss on impairment, ₹ 0.75 lakh (Previous Year ₹ 0.75 lakh).



## Notes on Financial Statements for the Year ended 31st March, 2014

### 8. NON CURRENT INVESTMENTS

(Long Term Investments)

	<b>As at</b>	(₹ in lakh)
	<b>31st March, 2014</b>	As at 31st March, 2013
<b>Other Investments</b>		
<b>In Equity Shares of Entity Exercising Significant Influence -</b>		
172,000 Reliance Industries Limited of ₹ 10/- each (172,000)	58.34	58.34
<b>In Equity Shares of Associate Company -</b>		
<b>Unquoted, fully paid up</b>		
11,08,500 Reliance Europe Limited of Sterling Pound (11,08,500) 1 each	3 93.38	3 93.38
<b>In Equity Shares of Other Companies -</b>		
4,300 Reliance Capital Limited of ₹ 10/- each (4,300)	1.46	1.46
86,000 Reliance Communications Limited of (86,000) ₹ 5/- each	43.42	43.42
6,450 Reliance Infrastructure Limited of ₹ 10/- (6,450) each	8.19	8.19
21,500 Reliance Power Limited of ₹ 5/- each (21,500)	0.78	0.78
<b>In Equity Shares of Other Companies -</b>		
<b>Unquoted, fully paid up</b>		
18,000 Rosche Trading Private Limited of ₹ 10/- (18,000) each	1.80	1.80
	5 07.37	5 07.37
<b>In Debentures - Unquoted, fully paid up</b>		
- Zero Coupon Unsecured Optionally Fully (140,000) Convertible Debentures of Ral Investment Private Limited of ₹ 100/- each	-	1 40.00
- Zero Coupon Unsecured Optionally (30,000) Fully Convertible Debentures of LPG Infrastructure (India) Limited of ₹ 100/- each	-	30.00
	-	1 70.00
<b>Investments in Mutual Funds - Unquoted</b>		
78,246,987.753 Birla Sun Life Dynamic Bond Fund Retail _ Plan - of ₹ 10/- each	82 10.06	-
<b>TOTAL</b>	87 17.43	6 77.37
Long term investments are stated at cost.		
Aggregate amount of quoted investments	1 12.19	1 12.19
Market Value of quoted investments	17 67.61	14 25.86
Aggregate amount of unquoted investments	86 05.24	5 65.18

## Notes on Financial Statements for the Year ended 31st March, 2014

### 9. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	As at 31st March, 2014	(₹ in lakh) As at 31st March, 2013
Capital Advances	14.82	1 49.81
Other Loans and Advances #	<u>25 69.46</u>	<u>112 23.62</u>
<b>TOTAL</b>	<u>25 84.28</u>	<u>113 73.43</u>

# Includes lease rent receivable of ₹ 21 30.91 lakh (Previous Year ₹ 32 88.96 lakh) and Inter Corporate Deposits NIL (Previous Year ₹ 7600.00 lakh)

### 10. CURRENT INVESTMENTS

	As at 31st March, 2014	(₹ in lakh) As at 31st March, 2013
<b>Investments in Mutual Funds - Unquoted</b>		
1,942,485.985 Birla Sun Life Floating Rate Fund Short Term (1,846,822.309) Plan - of ₹ 10/- each	33 10.00	28 75.00
<b>TOTAL</b>	<u>33 10.00</u>	<u>28 75.00</u>
Aggregate amount of unquoted investments	33 10.00	28 75.00

### 11. INVENTORIES

(At lower of cost or net realisable value)

	As at 31st March, 2014	(₹ in lakh) As at 31st March, 2013
Stores and Spares	<u>1 04.29</u>	<u>1 12.61</u>
<b>TOTAL</b>	<u>1 04.29</u>	<u>1 12.61</u>

### 12. TRADE RECEIVABLES

(Unsecured)

	As at 31st March, 2014	(₹ in lakh) As at 31st March, 2013
Outstanding for a period exceeding six months		
Considered Good	-	-
Considered Doubtful	<u>9.18</u>	<u>9.18</u>
	9.18	9.18
Less: Provision for doubtful debts	<u>9.18</u>	<u>9.18</u>
	-	-
Others, Considered Good	<u>18 11.40</u>	19 39.72
<b>TOTAL</b>	<u>18 11.40</u>	<u>19 39.72</u>

## Notes on Financial Statements for the Year ended 31st March, 2014

### 13. CASH AND BANK BALANCES

	As at 31st March, 2014	As at 31st March, 2013
Balance with Banks #	1 00.61	2 66.99
Fixed deposits with banks *	2.50	2.50
<b>TOTAL</b>	<b>1 03.11</b>	<b>2 69.49</b>

# Balance with banks include ₹ 79.15 lakh (Previous Year ₹ 78.89 lakh) earmarked for dividend payment.

\* Fixed Deposits have maturity of more than 12 month.

### 14. SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	As at 31st March, 2014	As at 31st March, 2013
Advance Income Tax (Net of Provision)	3 42.40	5 10.31
Balance with Customs, Central Excise Authorities	1 16.56	37.64
Others #	16 75.83	19 47.83
<b>TOTAL</b>	<b>21 34.79</b>	<b>24 95.78</b>

# Includes lease receivables and advance to sundry creditors.

### 15. REVENUE FROM OPERATIONS

	2013 - 14	2012 - 13
Sale of Services	95 61.12	91 39.12
Less: Service tax recovered	10 77.92	11 12.61
<b>TOTAL</b>	<b>84 83.20</b>	<b>80 26.51</b>

#### 15.1 DETAILS OF SERVICES RENDERED

	2013 - 14	2012 - 13
Product Transportation Services	19 53.35	17 88.27
Hiring of Construction Machineries	34 29.51	32 95.28
IT Support Services	17 30.91	17 00.00
Others	13 69.43	12 42.96
<b>TOTAL</b>	<b>84 83.20</b>	<b>80 26.51</b>

### 16. OTHER INCOME

	2013 - 14	2012 - 13
Interest Income from Others	56.44	6 84.23
Dividend from Long Term Investment	3 56.58	15.84
Net gain on sale of Current Investment	2 92.89	1 93.85
Other non operating income	5.64	1.46
<b>TOTAL</b>	<b>7 11.55</b>	<b>8 95.38</b>

## Notes on Financial Statements for the Year ended 31st March, 2014

### 17. EMPLOYEE BENEFITS EXPENSE

	(₹ in lakh)	
	2013 - 14	2012 - 13
Salaries and wages	12 81.78	11 93.15
Contribution to provident and other funds	65.86	86.77
Staff welfare expenses	63.97	39.68
<b>TOTAL</b>	<b>14 11.61</b>	<b>13 19.60</b>

17.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

#### A. Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	(₹ in lakh)	
	2013 - 14	2012 - 13
Employer's Contribution to Provident Fund	40.98	38.80
Employer's Contribution to Superannuation Fund	3.86	4.71
Employer's Contribution to Pension Scheme	7.31	7.37

#### B. Defined Benefit Plan :

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

#### a) Reconciliation of opening and closing balances of Defined Benefit Obligation

	(₹ in lakh)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Defined Benefit Obligation at the beginning of the year	2 68.00	2 23.84	85.81	1 01.92
Current Service Cost	15.60	14.92	4.51	4.31
Interest Cost	21.13	17.59	6.10	4.56
Actuarial (gain)/loss	( 3.23)	19.67	35.78	64.94
Benefits paid	( 7.73)	( 8.01)	( 19.20)	( 89.92)
Defined Benefit Obligation at the year end	2 93.77	2 68.00	1 12.99	85.81

#### b) Reconciliation of opening and closing balances of fair value of plan assets

	(₹ in lakh)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Fair Value of Plan Assets at the beginning of the year	2 36.46	2 03.43	-	-
Expected return on plan assets	19.87	16.77	-	-
Actuarial (gain)/loss	4.59	3.86	-	-
Employer contribution	40.58	20.41	19.20	89.92
Benefits paid	( 7.73)	( 8.01)	( 19.20)	( 89.92)
Fair Value of Plan Assets at year end	2 93.77	2 36.46	-	-
Actual return on plan assets	-	-	-	-

## Notes on Financial Statements for the Year ended 31st March, 2014

### c) Reconciliation of fair value of assets and obligations

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Fair value of plan assets	293.77	236.46	-	-
Present value of obligation	293.77	268.00	112.99	85.81
Amount recognised in Balance Sheet	-	31.54	112.99	85.81

### d) Expense recognised during the year

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Current Service Cost	15.60	14.92	4.51	4.31
Interest Costs	21.13	17.59	6.10	4.56
Expected return on plan assets	(19.87)	(16.77)	-	-
Actuarial (gain)/loss	(7.82)	15.81	35.78	64.94
Net Cost	9.04	31.54	46.38	73.80

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

### f) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013 - 14 1994 - 96 (Ultimate)	2012 - 13 1994 - 96 (Ultimate)	2013 - 14 1994 - 96 (Ultimate)	2012 - 13 1994 - 96 (Ultimate)
Mortality table (LIC)				
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	6.00%	6.00%	NA	NA
Rate of Escalation in Salary (per annum)	8.00%	8.00%	6.00%	6.00%

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

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

### g) Amount recognised in current year and previous four years

Particular	As at 31st March				
	2014	2013	2012	2011	2010
<b>Gratuity</b>					
Defined benefits obligation	293.77	268.00	223.84	189.99	107.99
Fair value of plan assets	284.73	236.46	203.43	199.90	99.70
(Surplus) / Deficit in the plan	9.04	31.54	20.41	78.09	8.29
Actuarial (gain)/loss on plan obligation	(3.23)	19.67	4.44	66.68	3.87
Actuarial gain/(loss) on plan assets	4.59	3.86	1.50	0.63	-

## Notes on Financial Statements for the Year ended 31st March, 2014

### 18. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in lakh)	
	2013 - 14	2012 - 13
Depreciation and Amortisation (Refer Note No. 7)	10 50.93	10 49.14
Less: Transferred from revaluation reserve (Refer Note No. 7.2)	27.01	34.03
<b>TOTAL</b>	<b>10 23.92</b>	<b>10 15.11</b>

### 19. OTHER EXPENSES

	(₹ in lakh)	
	2013 - 14	2012 - 13
Stores and Spares Consumed	1 29.62	1 20.57
Repairs and Maintenance		
- Plant and Machinery	62.22	51.30
- Buildings	0.07	0.10
- Others	5 86.10	85.88
Operating Expenses	12 64.67	12 14.11
Electric Power	2.95	3.82
Rent	6 83.48	5 46.21
Rates and Taxes	44.94	54.76
Insurance Charges	79.46	73.55
Professional Fees	1 81.88	1 80.49
Exchange Differences (Net)	1 42.92	1 70.79
Travelling and Conveyance	81.96	50.08
Loss on Sale of Fixed Assets	3.24	3 09.17
Charity and Donations	30.25	30.00
Miscellaneous Expenses	90.86	1 43.44
	<b>33 84.62</b>	<b>30 34.27</b>
Payment to Auditors		
- Statutory Audit Fees	10.10	9.65
- Tax Audit Fees	2.60	2.50
- Certification and Consultation Fees	1.10	1.00
- Cost Audit Fees	0.75	0.60
	<b>14.55</b>	<b>13.75</b>
<b>TOTAL</b>	<b>33 99.17</b>	<b>30 48.02</b>

#### 19.1 VALUE OF STORES AND SPARES CONSUMED

	2013 - 14		2012 - 13	
	(₹ in lakh)	% of total Consumption	(₹ in lakh)	% of total Consumption
Imported	7.19	6.00	2.23	2.00
Indigenous	1 22.43	94.00	1 18.34	98.00
	<b>1 29.62</b>	<b>100.00</b>	<b>1 20.57</b>	<b>100.00</b>

#### 19.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	(₹ in lakh)	
	2013 - 14	2012 - 13
Capital goods	11 59.05	540.51

## Notes on Financial Statements for the Year ended 31st March, 2014

### 20. EARNING PER SHARE

	2013 - 14	2012 - 13
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Share Shareholders (₹ in Lakh)	24 13.98	24 38.04
(ii) Weighted Average of number of equity shares used as denominator for calculating EPS	15,100,000	15,100,000
(iii) Basic and Diluted Earnings per share (₹)	15.99	16.15
(iv) Face value per equity share (₹)	10.00	10.00

### 21. SEGMENT INFORMATION

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

### 22. RELATED PARTY DISCLOSURES

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

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

Name of the Related Party	Relationship
Reliance Industries Limited	Entity exercising significant influence
Shri Dilip V. Dherai	Key Managerial Personnel

- (ii) Transaction during the year with related parties

Sr. No.	Nature of Transaction (Excluding reimbursements)	Entity exercising significant influence	Key Managerial Personnel	Total
(A)	Income from Operations	64 01.20	-	64 01.20
		49 41.08	-	49 41.08
(B)	Sale of Assets	-	-	-
		2 28.10	-	2 28.10
(C)	Other Income			
	Dividend from Long Term Investments	15.84	-	15.84
		14.62	-	14.62
(D)	Expenditure			
	Payment to Key Managerial Personnel	-	20.25	20.25
		-	21.50	21.50
(E)	Purchase of Materials	5.25	-	5.25
		-	-	-
<b>Balance as at 31st March, 2014</b>				
(F)	Investments	58.34	-	58.34
		58.34	-	58.34
(G)	Trade Receivables	16 39.56	-	16 39.56
		12 79.05	-	12 79.05
(H)	Loans and Advances	33 94.06	-	33 94.06
		17 81.43	-	17 81.43

Note :

Figures in italics represents Previous Year's amount.

## Notes on Financial Statements for the Year ended 31st March, 2014

### 23. FINANCE LEASE DISCLOSURES

(i) Assets given on Finance Lease :

	(₹ in lakh)							
	Total		Within one year		Later than one year and not later than five years		Later than five years	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Gross Investment	42 45.36	51 37.73	15 93.70	13 22.77	26 51.65	38 14.96	-	-
Less: Unearned finance income	9 56.40	8 96.63	5 41.87	3 70.63	4 14.53	5 26.00	-	-
Present value of minimum Lease Rental	32 88.96	42 41.10	10 51.84	9 52.14	22 37.12	32 88.96	-	-

(ii) General description of lease terms :

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

### 24. EXPENDITURE IN FOREIGN CURRENCY

	(₹ in lakh)	
	2013 - 14	2012 - 13
ii) Travelling Expenses	16.14	15.57
iii) Other Matters	0.45	0.10

25. Income tax assessments of the Company have been completed up to Assessment Year 2010-2011. The disputed demand outstanding up to the said Assessment Year is ₹ 2.34 lakh (Previous Year ₹ 32.80 lakh). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

26. Estimated amount of contracts remaining to be executed on capital account is ₹ 32.20 lakh (Previous Year ₹ 20.42 lakh) and not provided for (net of advances).

As Per our Report of even date  
For **Chaturvedi & Shah**

**Amit Chaturvedi**  
Partner

Mumbai  
Dated : 16<sup>th</sup> April, 2014

As Per our Report of even date

**Mahesh Kamdar**

**Chandra Raj Mehta**

**Sandeep H. Junnarkar**

**S.C.Malhotra**

**Dilip V. Dherai**

**N.Shanker**

**Tapas Mitra**

- Chairman

} Directors

- Executive Director

- Company Secretary

- Chief Financial Officer



CIN: L60300MH1988PLC049019

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

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

DP. Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **26<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Wednesday, 2nd July, 2014, at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020.

\*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

----- ✂ ----- ✂ -----

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: L60300MH1988PLC049019

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

Name of the member(s):		e-mail id:	
Registered address:		Folio No./*Client id:	
		*DP Id:	

I/We, being the member(s) of \_\_\_\_\_ shares of Reliance Industrial Infrastructure Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **26<sup>th</sup> Annual General Meeting** of the Company, to be held on Wednesday, 2nd July, 2014 at 11.00 a.m. at 4th Floor, Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Shri S. C. Malhotra who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Re-appointment of Shri Dilip V. Dherai as a Whole-time Director		
6. Approval of the Remuneration of the Cost Auditors		
7. Adoption of new Articles of Association of the Company		

\* Applicable for investors holding shares in electronic form

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of Shareholder

Affix a  
15 paise  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Please see the Notes overleaf.

**Notes:**

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

